



Daily Report

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Daily Report

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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General

Liu Huaqiu Reviews 1992 Diplomatic Results

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["1992 Yearender" article by Deputy Foreign Minister Liu Huaqiu (0491 5478 4428): "Flexibility and Pragmatism Are Crowned With Countless Achievements—China's Diplomacy in 1992"]

[Text] The year 1992 is marked by unpredictable international changes, and a not so peaceful world. Under the situation of the bipolar pattern coming to an end, the world developing in a multipolar direction, and international relations growing more complicated and turbulent, China has resolutely pursued an independent foreign policy of peace, made cool observations, remained calm, upheld principles, displayed flexibility and pragmatism, and seized favorable opportunities as it continues to create an excellent international environment of peace for the country's reform, opening up, and socialist modernization and construction, and to make positive contributions to the lofty cause of world peace and development.

The year 1992 joins the years 1971 and 1972 as the three years in which China established diplomatic relations with the most number of countries since the PRC's birth. This year, 15 countries established diplomatic relations with China. The establishment of diplomatic relations and the development of friendly ties and cooperation between China and Korea, Israel, the republics of the Commonwealth of Independent States [CIS], and some Eastern European countries is of important realistic significance. So far, China has established diplomatic relations with 154 countries, and carried out economic and trade, scientific and technological, and cultural exchanges and cooperation with more than 200 countries and regions. This fully illustrates that China's refusal to define state-to-state relations on the basis of differences in social systems, ideologies, and value concepts, and its insistence on establishing and developing friendly ties and cooperation with other countries on the basis of the Five Principles on Peaceful Coexistence is entirely correct. We have friends all over the world.

Over the past year, we have achieved new breakthroughs in our friendly relations with neighboring countries, as friendly ties and cooperation with these countries are in their best period since the PRC's birth. The establishment of diplomatic relations between China and Korea and the visit to China by the Japanese emperor highlighted the progress made by China in its Asian-Pacific diplomacy. Eleven presidents or prime ministers from a number of Asian-Pacific countries and 10 republics of the CIS visited China, while Chinese party and state leaders also visited several neighboring countries where they promoted an intensive development of friendly ties between China and these countries. Through active consultations with other relevant states, China made

tremendous efforts to promote the implementation of the Paris agreement on the Cambodian issue by all factions in Cambodia. As always, China exerted efforts toward the realization of detente and stability on the Korean peninsula by developing friendly relations and cooperation with Korea, supporting efforts by the North and South to resolve their differences through dialogue and consultation, and advocating the peaceful reunification of the Korean peninsula. To safeguard peace and stability in the Nansha [Spratly Islands] and the entire Asian-Pacific region, China again expressed its willingness to negotiate a settlement of disputes with the relevant countries and outlined a proposal to set aside the disputes and engage in joint development. Over the past year, China also made progress in resolving border issues with neighboring countries like Laos, Russia, and Bhutan. China now has diplomatic relations with all members of ASEAN, and a dialogue process has begun involving the two sides. As China shares broad consensus with the ASEAN members on certain important international issues, their mutually friendly relations have entered a new period of comprehensive growth.

China's friendly relations and cooperation with the Third World is founded on an excellent basis and further advancement has been made. This year, 48 heads of state, heads of government, and foreign ministers from the Third World visited China, while Nelson Mandela, the chairman of South Africa's African National Congress, and a black leader, was also a visitor. China's state leaders were invited to visit several developing countries where they expounded China's principles of developing friendly ties with the countries of Asia, Africa, Latin America, and the South Pacific, and expressed China's determination to strengthen further cooperation with Third World countries. In line with the principle of "equality and mutual benefit, emphasis on substantial results, diverse forms, and joint development," China engaged in highly fruitful and mutually beneficial cooperation with developing countries. In June of this year, Premier Li Peng met with many presidents or prime ministers of Third World countries at the UN Conference on the Environment and Development held in Rio de Janeiro, Brazil, where they exchanged views and achieved broad consensus on bilateral relations and international issues. Under the new international situation, China and Third World countries share a common stance and language on important issues, such as the protection of world peace and regional stability, raising the prices of primary products, abolition of trade protectionism, reduction of the South's debt burdens, an increase of technology transfers to the South, and the establishment of a just and rational new international order, and this has become the solid foundation for further development of friendly relations between the two sides. In September, China formally attained observer status in the Nonaligned Movement, symbolizing a new phase in its friendly cooperation with the movement. At the UN Conference on Environment and Development held this year, China and the Group of 77, through close consultations, presented many negotiation

documents in the form of "Group of 77 plus China," and helped the conference achieve a series of results. Over the past year, China also maintained its consistent stance of actively supporting the demands of developing countries to safeguard their legitimate interests and rights and to play an active role in international affairs. The developing countries also offered China strong support by resolutely opposing the intervention of certain Western countries in China's internal affairs, supporting the position of the Chinese Government at the UN Conference on Human Rights, and actively supporting the restoration of China's signatory status in the General Agreement on Trade and Tariffs.

Over the past year, China's relations with developed Western states also improved and grew on the basis of the Five Principles on Peaceful Coexistence. General Secretary Jiang Zemin and Wan Li visited Japan on different occasions, while the visit to China by Japan's emperor also materialized. Sino-Japanese relations improved more rapidly. At the Security Council heads of state summit held earlier this year, Premier Li Peng held separate meetings with the leaders of some Western countries, like the United States, Britain, France, and Austria. His visits to Italy, Switzerland, Portugal, and Spain in January, and his visit to Finland in June, opened a new chapter in China's relations with Europe. Several of China's vice premiers also visited a number of European states, where they promoted the development of China's relations with Europe. China's relations with northern Europe also underwent a comprehensive revival and growth. The great majority of Western states have resumed development assistance, export credits, and commodity loans to China. At the 18th Group of Seven summit, the seven countries gave a more positive assessment of our country than in the past. After the publication of the important talks made by Comrade Deng Xiaoping during his southern inspection tour, the industrial and commercial enterprises of Western countries were gripped by a surging enthusiasm to invest in China. Meanwhile, China has always attached great importance to Sino-U.S. relations and has made tremendous efforts to improve and advance Sino-U.S. relations in line with the fundamental interests of the people of China and the United States and in line with the overall interests related to peace and stability in the Asian-Pacific region and the world. We maintain that as long as the two sides observe the principles of the three Sino-U.S. joint communiques, particularly the principle related to sovereign rights, equality, and nonintervention in internal affairs, and make concerted efforts, Sino-U.S. relations will gradually improve and grow.

Multilateral diplomacy is also at an unprecedented state of vitality. Over the past year, China has insisted on abiding by the UN Charter and the fundamental norms of international relations, and independently decided its stance based on the right and wrong of the issues themselves. In examining the draft resolutions of the Security Council, it always proceeded by safeguarding the fundamental interests of the people of the world,

insisted on principles, upheld justice, and through consultations with other member states actively steered these resolutions toward developments favorable to world peace and security. Regarding the Security Council-approved resolutions on certain complicated international issues, we may have agreed with the positive features of these resolutions, but we also disapproved of their negative aspects, and so we abstained from voting. This fully illustrates China's sense of responsibility to world peace and security, as well as its high sense of principles in managing international affairs. The unique and just stance that we maintained at the Security Council is praised by all sides. In January of this year, Premier Li Peng was widely acclaimed and supported when he attended the UN Security Council summit and delivered an important speech. In June he attended the UN Conference on the Environment and Development, where, proceeding from the principle of safeguarding peace, promoting growth, and bringing benefits to the next generation, he explicitly presented a five-point proposal on boosting international cooperation in the environmental field. Premier Li Peng also signed the "Convention on the Framework of Climatic Changes" and the "Bio-Diversity Pact" on behalf of the Chinese Government, fully demonstrating the high degree of importance and sense of responsibility of the Chinese Government toward the international cause of the environment and development. In April, the 48th Conference of the UN Asia-Pacific Economic and Social Commission was held in Beijing, where the "Beijing Declaration" was adopted. This was beneficial in promoting coordinated regional economic growth and joint prosperity, and also in promoting peace and stability in the Asian-Pacific region, as it injected new life into efforts to build a beautiful future in the Asian-Pacific region. This year, China actively took part in negotiations regarding the "Convention on the Prohibition of Chemical Weapons" carried out at the Conference on Disarmament in Geneva, and along with the various countries, notably the developing countries, it exerted positive efforts to promote the achievement of a fair, rational, realistic, and viable international convention on the total ban and thorough destruction of chemical weapons. In March, China formally acceded to the Treaty on the Nonproliferation of Nuclear Weapons and outlined its overall proposals. This constituted a unique contribution in pushing the treaty to exercising a role conducive to international peace and stability. On the question of arms control, China won broad approval from the international community when it raised the principle of fairness, rationality, comprehensiveness, and equilibrium. Through China's active efforts, the 36th conference of the UN's commission on the status of women adopted a resolution on 26 March 1992, where it was decided that the Fourth World Women's Congress would be held in Beijing in September 1995. This was universally regarded by the international community as an expression of faith in the Chinese Government and people. At the 48th UN Conference on Human Rights held early this year, China, supported by a majority of developing countries, vetoed the so-called "China/Tibet

situation" bill designed to split the country and, thereby, upheld its sovereignty and dignity.

Over the past year, China has formed a pattern of coastal and border opening in all directions by adopting a series of important new steps on opening up to the outside world. Foreign economic and trade relations were further strengthened. From January to October this year, the total volume of China's imports and exports stood at \$124.8 billion, with exports at \$65.1 billion and imports at \$59.7 billion, or an increase of 17 percent and 22.9 percent, respectively, over those of the same period last year. From January to September this year, the country approved agreements on the use of foreign capital involving 28,000 projects and contract capital of \$36.4 billion, both representing substantial increases from those of the same period last year. At present, China's export structure is basically consistent with international trade standards, while its import structure is moving toward convergence with the international standards. The opening to the outside world has promoted the economic structural reform within the country, improved the people's lives, boosted the state's economic strength, and enhanced China's international status.

'Yearender' on Subic Bay, U.S.-Philippine Ties

OW1812095192 Beijing XINHUA in English 0941
GMT 18 Dec 92

["Yearender" by Xie Peilin: "Manila Adjusts Ties With U.S. in Post-Bases Era"]

[Text] Manila, December 18 (XINHUA)—Being smart by kicking out Uncle Sam from its century-old Subic Naval Base, the Philippines is adjusting to its post-bases strategy of "more trade than aid" with the United States, a tough task for the young administration of President Fidel Ramos.

On November 24, the last 500 U.S. troops left the country aboard the helicopter carrier USS Belleau Wood, ending 96-year history of American military presence in its sole colony country.

Although, U.S. military aid to the country was cut down from previous annual 200 million dollars to 25 million dollars in 1992, President Ramos still led the chorus in calling for the savior of U.S. in case his country should be attacked, by reviewing the 1951 Mutual Defense Treaty, the only military link remains between the two countries.

The chorus sound dumb to the Americans who are not yet fully recovered from the humiliating rejection by Philippine Senate of a new basing treaty in September 1991.

Once highly relied on U.S. forces, the Philippine military cries for its modernization program with a budget of 7 billion dollars as it takes external defense as its major thrust from previous counter-insurgency tasks.

The program has been prolonged from 10 to 15 years due to budget constraint. However, no imminent threat to the country within 10 years appeases the Ramos government to a certain extent while its "Air Force is in the air without force", a sorrow joke from Mayor Richard Gordon in Olongapo, the adjacent city to Subic.

Striving for a new economic tiger in Asia by next century, the Ramos government initiates "economic diplomacy" where the United States remains to be its major partner.

However, Manila has already suffered U.S. retaliatory measures for its rejection of a new basing treaty in its sugar, garment, tuna and semi-conductor devices exports to the U.S. market. The expansion of trade is also being hindered by accused Philippine violations of U.S. intellectual property rights.

Aiming to make miracles for Subic Bay that hosted the once largest U.S. overseas military facility, the Ramos government has mapped out a special economic zone and free port program. However, the majority of exploratory investors come from Singapore, Hong Kong, Taiwan, and other Asian neighbors, instead of big Uncle Sam.

Thus, in anticipation of increased regional trade, Ramos who assumed the presidency in last June, made his first state visits to the members of the Association of South-east Asian Nations, instead of the United States as his predecessors usually did.

As U.S. assistance will be halved in the next fiscal year, the Philippines also steps to promote economic and trade cooperation with east Asia, Latin America, and the European Community, said Foreign Secretary Roberto Romulo.

However, the Philippines is still eager in pushing for increased trade with the United States, while the U.S. is inclined to steer away from its traditional patronage position to the Philippines with the closing of its military bases in the country last month.

Bush, Clinton Urge Israel Not To Deport Palestinians

OW1812020892 Beijing XINHUA in English 2245
GMT 17 Dec 92

[Text] Washington, December 17 (XINHUA)—U.S. President George Bush today urged Israel to avoid deporting 418 Palestinians from the occupied territories, acting after Arab negotiators warned him the planned expulsions could "deal a death blow" to the Middle East peace talks.

And U.S. President-elect Bill Clinton also questioned the Israeli deportations, telling reporters at a news conference in Little Rock, Arkansas, that he hoped the Israelis could find another way to deal with the issue.

"I am concerned that this deportation is going too far and may imperil the peace talks," Clinton said. "I hope that some other way can be found between now and the time the actual physical expulsion of those people would take place."

President Bush, in a statement released by the White House, called on Arabs and Israelis to stop all forms of violence "and avoid such reactions as deportations that risk complicating the search for peace."

"Actions and statements of the parties away from the table are no less important than the negotiations themselves," the statement said.

The statement was issued after the Arab peace negotiators met with Bush at the White House this morning and urged the President to intervene to prevent Israel from expelling those Palestinians.

But Haydar 'Abd-al-Shafi, head of the Palestinian delegation, told reporters after meeting with Bush that Bush said the United States has "a longstanding policy against deportations" and they are "tantamount to war crimes."

Calling the deportation "a death blow to the peace process," 'Abd-al-Shafi also said Bush promised he would ask Israel to rescind its expulsion order.

A U.S. Administration official said U.S. Secretary of State Lawrence Eagleburger had sent Israel a message expressing U.S. "strong objection" to the deportation.

Meanwhile, Faysal al-Husayni, a political adviser to the Palestinian delegation, said that the Middle East peace talks could not go on unless the deportation is reversed.

"If this step is not stopped and if those people do not go back to their homes or land, I believe it will be completely impossible to face in any way a continuation of our negotiations in this peace process," al-Husayni said.

Earlier, Muwaffaq al-'Allaf, leader of the Syrian delegation, told reporters after meeting with Bush "we have raised that subject" to President Bush.

"We hope that the United States of America will convince the Israeli authorities to rescind that action because otherwise, the peace process would suffer from this and might be in the danger of collapsing," he said.

Suhayl Shammas, leader of Lebanese delegation, said at the start of his meeting with Bush "it will loom largely over the talks and we express the hope President Bush and administration officials... will do what they think they can to have the Israeli Government rescind the decision because in itself deportation is bad and under the circumstances it will adversely affect the peace talks."

The Arab delegations to the peace talks today also decided to boycott the last day's session of the eighth round of talks to protest at Israel's deportation.

Al-'Allaf said "we intend to inform the Israeli delegation today our strong protest about this situation, and we shall end the meeting right after presenting that protest."

This morning, the Palestinian delegation boycotted the talks. Elyaqim Rubinstein, Israel's chief negotiator with Palestinians, said he had been informed his counterparts would not show up.

"We regret this," he said. "It is another day that is wasted."

A Palestinian delegate said that the heads of all four Arab delegations to the peace talks had decided to boycott the talks today.

During his meeting with Bush, al-'Allaf said, he expressed to the President his appreciation and the gratitude for U.S. initiative to the Middle East peace process.

"But we expressed, at the same time, our disappointment that that peace initiative, after 13 months, did not produce yet the results," al-'Allaf said. "The Israeli side has not yet committed itself to what is required under the peace process concerning withdrawal."

The current round of talks is scheduled to end today and will probably recess until after U.S. President-elect Bill Clinton takes office on January 20, 1993, enabling both sides to see what role his administration will take.

But Bush told the Israeli delegation at the start of their meeting "I am confident the new administration is going to want to see the peace talks continue."

Clinton also said in Little Rock "I will do whatever I can to embrace these talks and keep them going."

'News Analysis' on NATO Peacekeeping Role

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GMT 19 Dec 92

["News Analysis"]

[Text] Brussels, December 19 (XINHUA)—The North Atlantic Treaty Organization (NATO) is starting to commit itself to a new job: Peacekeeping in Europe.

NATO foreign ministers and the foreign ministers of the North Atlantic Cooperation Council (NACC), which consists of 37 West and East countries, at meetings on Thursday and Friday [17 and 18 December] respectively, focused their discussions on peacekeeping.

NATO ministers confirmed that NATO would be ready, on a case-by-case basis, to support peacekeeping operations in Europe authorized by the United Nations Security Council.

"We are ready to respond positively to initiatives that the UN secretary-general might take to seek alliance assistance in the implementation of UN Security Council resolutions," NATO said.

Last June NATO decided to offer help for CSCE [Conference on Security and Cooperation in Europe] peacekeeping operations.

NATO also said it would adjust its command and force structure, defence planning and troops' training to adapt NATO to the requirements of peacekeeping.

The ministers from NATO and the former Warsaw Pact countries at the NACC meeting also reached a peacekeeping accord.

The plan for cooperation for peacekeeping would include "joint sessions on planning of peacekeeping missions, joint participation in peacekeeping training and consideration of possible joint peacekeeping exercises," said a NATO statement.

NATO said it would soon start consultations with cooperation partners, which would lead to cooperation in peacekeeping.

Following are reasons for NATO to try to strengthen its role in peacekeeping in Europe, according to public opinions.

First, the new European security environment demands that role. Although the "cold war" was over, a threat of massive attack on the alliance territories was gone, Europe is still facing a number of "new serious challenges," arising from regional conflicts such as the current Yugoslavia crisis.

Second, NATO needs to seek for new tasks for its survival in post-cold-war period. With the Warsaw Pact organization disbanded, NATO also lost its foundation of existence and has to find new missions, such as peacekeeping.

Finally, objectively speaking, NATO, as the most powerful military alliance in the world, is the most competent organization to undertake peacekeeping mission, with its 40 years defence experience and military assets.

But the questions remain: How big a role NATO can play in peace-keeping in Europe? Can its military power, which used to deter effectively the threat from the East, be effective once more in peacekeeping? It may be hard to give an answer now.

Judging from what international communities has achieved in peacekeeping the Yugoslavia conflict, including the 16-nation alliance, peacekeeping in Europe is by no means an easy job. The regional conflicts in Europe are caused by deep historical, ethnic and religious problems. So far no one, including NATO, has found a therapy.

Yugoslavia conflict is the first "test" of NATO's competence. NATO, to some extent, has been involved in dealing with the conflict, by taking only some limited measures, such as sending ships to enforcing embargo in the Adriatic sea and NATO AWACS [AWACS] planes flying over Bosnia-Herzegovina.

But what more NATO could contribute to stop the conflict, which is getting worse? Perhaps NATO has shown its maximum capability.

NATO has also to settle its internal splits over the peacekeeping issue.

France, which has been reluctant to extend the role of the U.S. led alliance beyond the defense of its members, had earlier blocked NATO's plans for cooperation in peacekeeping with cooperation partners.

France is a NATO member, but is not part of its integrated military command. It has resisted U.S. pressure to give NATO new post-cold war tasks, notably in peacekeeping. France wants a bigger role for the Western European Union, a defense group of 10 nations, to do peacekeeping in Europe and beyond Europe.

U.S. Secretary of State Lawrence S. Eagleburger had earlier criticised France for blocking the NATO plan. He said he hoped France "will recognize that we must move ahead with plans to develop joint peacekeeping when the peace of the new Europe is threatened on numerous fronts."

Peacekeeping is a new job and new challenge for NATO. Can NATO fulfil it? We have to wait and see.

UN Approves Resolution on Settling Disputes *OW1912015292 Beijing XINHUA in English 0031 GMT 19 Dec 92*

[Text] United Nations, December 18 (XINHUA)—The UN General Assembly today stressed the peaceful settlement of international disputes in a resolution on "An Agenda for Peace."

The resolution, which was approved by consensus here this afternoon, says that the General Assembly "invites member states to seek solution to their disputes at an early stage through such peaceful means as provided for in the charter of the United Nations."

It encourages the General Assembly, the Security Council and the secretary-general to make separate but concerted effort in this regard to ensure that all the international disputes are settled peacefully.

"An Agenda for Peace" is a document, prepared by UN Secretary-General Butrus Butrus-Ghali at the request of the summit of the Security Council held last January, on ways of strengthening and making more efficient the capacity of the United Nations for preventive diplomacy, for peace-making and peace-building.

Since the document was submitted to the General Assembly last June, it had been discussed several times during its regular sessions and the resolution adopted today marked a major progress which might eventually lead to the implementation of its recommendations.

The resolution also says that timely application of preventive diplomacy is the most desirable and efficient

means of easing tensions before they result in conflict, and in this regard the resolution encourages the secretary-general to set up an early warning system, use more fact-finding missions, and adopt more confidence-building measures.

In a section entitled "Early-warning, Collection of Information and Analysis," the resolution recognizes the need to strengthen the capacity of the United Nations for early-warning, collection of information and analysis, and encourages the secretary-general to set up an adequate early-warning mechanism for situations which are likely to endanger the maintenance of international peace and security.

Concerning fact-finding, the resolution invites the secretary-general to continue to dispatch fact-finding missions in a timely manner and recommends that a request by a member state for the dispatch of such a mission to its territory should be considered expeditiously.

Under "Confidence-building Measures," the resolution encourages the secretary-general to consult with parties to disputes that might threaten international peace and security, and with other interested parties on the possibility of initiating confidence-building measures in their respective regions.

It urges member states and regional organizations to play a leading role in developing confidence-building measures, which may encompass both military and non-military matters, and to coordinate their efforts in this regard with the United Nations.

In its reference to "Humanitarian Assistance," the resolution welcomes the increasing role of the United Nations system in providing humanitarian assistance and encourages the secretary-general to continue to address the question of coordination between humanitarian assistance programs and peace-keeping operations while preserving the non-political, neutral and impartial character of humanitarian action.

The resolution recognizes the role of the General Assembly in preventive diplomacy, asking it to explore the ways and means to support the recommendations contained in the agenda so as to bring greater influence to bear in preempting or containing any situation which might lead to international friction or dispute.

The resolution stresses the need for international action to strengthen the socio-economic development of member states as one of the means of enhancing international peace and security as well as the need to complement "An Agenda for Peace" with "An Agenda for Development."

It also emphasizes that respect for the principles of sovereignty, territorial integrity and political independence of states is crucial to any common endeavor to promote international peace and security.

United States & Canada

U.S. Commerce Secretary Discusses Trade Ties

OW1912105192 Beijing XINHUA Domestic Service in Chinese 0842 GMT 19 Dec 92

[By reporter Zhang Yijun (1728 4135 0193)]

[Text] Beijing, 19 Dec (XINHUA)—Visiting U.S. Commerce Secretary Barbara Franklin said here: Maintaining a steady development of economic relations and trade between the two big countries the United States and China is beneficial to both countries, and is of great significance to the development of global economic prosperity and trade.

During an interview with XINHUA, the 29th U.S. commerce secretary said that her visit to China is for the purpose of restoring the activities of the Sino-U.S. Joint Commission on Commerce and Trade [JCCT], which were disrupted for three years, and of seeking a new avenue for expanding bilateral trade and investment.

Franklin left Beijing for the Shenzhen Special Economic Zone. She said before departure from Beijing: Both the U.S. and Chinese Governments realize the importance of strengthening bilateral economic cooperation and trade. In the past year, the two countries signed memoranda on intellectual property rights, banning the export of prison products, and market accessibility. Those memoranda have created the opportunity for further developing economic relations and trade.

She said: The resumption of the ministerial-level meetings will certainly be the new starting point of a new stage in bilateral trade relations.

On the current JCCT session, the secretary said that discussions during the meeting were frank, comprehensive, and constructive, and they also yielded some good results.

Before she became U.S. Commerce Secretary, Franklin was president and CEO of the Franklin Consultancy Company. She was also member of the boards of directors of seven famous, large companies in the United States.

Franklin said: China is one of the largest countries in the world. Such a huge market is attractive to American businessmen.

She said: With a further improvement of the investment environment, more and more American businessmen will come to invest in China.

The secretary believes that there are still many problems in Sino-U.S. economic relations and trade, and they have been discussed during the current JCCT session. She said: "This is just the beginning. As a Chinese saying goes: 'A thousand-li journey is started by taking the first step.' We are walking forward step by step."

Franklin also said: The two countries still have differences over certain questions, but these differences can be settled only by mutual consultations, and they must not obstruct bilateral economic exchanges and trade.

Vice Minister Discusses Relations With U.S.

On 'Positive Results' of Trade Talks

OW1912095892 Beijing XINHUA in English 0949
GMT 19 Dec 92

[Text] Beijing, December 19 (XINHUA)—Tong Zhiguang, Chinese vice minister of foreign economic relations and trade, said here today that the just-concluded Seventh Session of the China-U.S. Joint Commission of Commerce and Trade achieved "expected positive results."

In a press statement on the conclusion of the joint commission session, Tong said that the session, co-chaired by Chinese Minister of Foreign Economic Relations and Trade Li Lanqing and U.S. Commerce Secretary Barbara Franklin, was the first ministerial-level meeting on economic and trade affairs between China and U.S. since 1989.

In the session from December 17 to 18, Tong noted, both sides held talks in the friendly, practical and cooperative spirit as shown at the previous six sessions. "This will surely be a new starting point in bilateral relations," he said.

It was learned that during the 7th session, the two sides reviewed the developments in bilateral trade and industrial and technological cooperation between China and the United States in the last three years, especially the positive progress in economic and trade relations this year.

The session also explored the various channels for further development of bilateral trade. The channels include the use of the American Commerce Department's foreign buyers project, possibilities of restoring cooperative projects in China by the trade development agency, and holding of large trade fairs and seminars.

The two sides also exchanged views on encouraging foreign investment in China, improving investment environment, textile trade between China and the U.S., and problems Chinese companies face in the United States.

They also exchanged views on the implementation of the market access memorandum of understanding and the intellectual property rights memorandum of understanding.

During the session, the two sides agreed on some bilateral trade and cooperation projects.

The Chinese Government has always attached great importance to the development of Sino-U.S. relations, Tong Zhiguang said. "We are willing to handle all the

bilateral economic and trade issues in a friendly, practical and co-operative spirit."

The Chinese side takes the session of the joint commission as "an important mark in the way towards the normalization of Sino-U.S. economic and trade relations," Tong said.

The Chinese side appreciates the positive steps taken by the U.S. side to relax restrictions on exports to China, but meanwhile, urges the U.S. side to take further measures, earnestly carry out its promise about liberalizing restrictions on exports to China as stated in the Sino-U.S. Memorandum of Understanding on Market Access, and announce as soon as possible its complete lifting of sanctions against China, he said.

At the same time, he said, "we hope to further strengthen bilateral consultations and resolve the issue of restoring China's status as a signatory nation to the General Agreement on Tariffs and Trade. And we also hope that the U.S. side will continue to play a positive role in promoting the process of the work of the GATT working party on China."

"More importantly," Tong continued, "the two sides should continue to work for maintaining the unconditional most-favored-nation status. We regard that as a cornerstone of Sino-U.S. economic and trade relations and a prerequisite for further development of bilateral trade and cooperation."

Tong called the passing year "a fruitful one" for Sino-U.S. economic and trade ties, citing the signing of the Memorandum of Understanding on Intellectual Property Rights in January, a similar document on market access in October and the successful convocation of the Seventh Session of the Sino-U.S. Joint Commission on Commerce and Trade this week.

"All these show that Sino-U.S. economic and trade relations are developing in a very positive direction," he said.

Tong, noting that the economies of China and the United States are highly complementary, said, "We believe so long as the two sides follow the principle of equality and mutual benefit, Sino-U.S. bilateral trade and economic and technological co-operation will have very broad prospects."

Urges U.S. To Lift Sanctions

HK2112025592 Beijing CHINA DAILY in English 21
Dec 92 p 1

[Article by staff reporter Wang Yong: "China Urged U.S. To Lift Sanctions"]

[Text] A top Chinese official on Saturday [19 December] urged the United States to lift the economic sanctions it imposed on China after June 1989.

Tong Zhiguang, Vice-Minister of Foreign Economic Relations and Trade (Mofert), said, "The U.S. should announce it is lifting the sanctions as soon as possible."

Trade analysts say the United States is on the verge of erasing the sanctions. In high-level talks in Beijing last week, U.S. trade officials promised to loosen export controls placed on China.

One sticking point apparently resolved during talks concerned the United States' fear that China might buy advanced computers for military use.

U.S. Secretary of Commerce Barbara Franklin said the two countries have agreed to set up a mechanism to check the end users in China of such advanced systems from the United States.

"China appreciates the constructive measures the U.S. has taken to ease its export controls," Tong said. "But we hope the U.S. could take further steps towards completely eliminating such controls."

The U.S. promised relaxing restrictions as part of an agreement with China to solve market access issues. That deal was struck earlier this year.

Tong said the just-concluded meeting between China and the U.S. "marks the normalization of bilateral economic and trade relations."

The U.S. stated that the two sides will join efforts in helping China reenter the General Agreement on Tariffs and Trade (GATT).

The two nations convened the seventh session of the Sino-U.S. Joint Commission on Commerce and Trade (JCCT) last week, which is reckoned by both sides as an "important bridge that helps smooth bilateral trade development."

The JCCT was established in 1983 but was suspended after June 1989.

China may have scored a success in the latest round of talks by getting a clear statement from the U.S. on its long-term commitment to the Chinese market despite the huge trade deficit the U.S. claims it suffers in trade with China.

Central Eurasia

Yeltsin Gives News Conference in Beijing

OW1812152092 Beijing XINHUA in English 1457
GMT 18 Dec 92

[Text] Beijing, December 18 (XINHUA)—Russian President Boris Yeltsin, addressing a press conference this evening, said his visit to Beijing has opened "a new page" in the friendly relations between China and Russia.

Through talks in the last two days, Yeltsin said, he and the Chinese leaders now "understand the mutual desire to create a friendly and good-neighborly relationship."

Expressing "deep satisfaction" with the visit, he said that "an important step was made in the development of bilateral ties and a new page has been opened in our friendly relations," as the trip not only ushered in "a new era," but also brings "entirely new impetus."

With the 20 or more agreements signed during the visit as a new basis for bilateral ties, the possibilities of cooperation are "enormous," he said. "We have enormous work to do, and let's talk less and do more."

China has become one of the leading partners of Russia, "not only in Asia, but also globally," he said, citing the projected trade figure this year of five billion U.S. dollars. With the agreements signed today, he said, the trade volume will reach some eight billion U.S. dollars in the next two or three years.

As the economic sectors of Russia and China are compatible, he said, "We are prepared to cooperate in all directions" and "build our relations on a sound commercial basis."

Development of the border trade, which forms a lion's share of bilateral trade, is "only the beginning," he said. The two countries will launch more joint ventures, set up joint banks and ensure a flourish of mutual investment.

Also, Yeltsin said Russia is "interested in the Chinese experience of reform and in its open door market."

"We can take something to enrich our reforms," he said. "In principle the general thrust of the Chinese model could be accepted."

The Russian president, noting that the Chinese tactics of reform is "not to hurry, not to force, without revolutions," said this is "very important. And I think that for us, it has a significance."

Russia and China are both in the process of reform, said the president, adding that strengthened Sino-Russian friendly ties will help "ensure the maximum of favorable conditions for fulfilling the national objectives of the two countries," he said.

Praising China's achievements, Yeltsin said, "To a large extent I have changed my opinion of this country."

Yeltsin said his talks with Chinese leaders also covered international issues, and the two sides share identical or similar views on such regional issues as the Korean peninsula, Yugoslavia and Cambodia.

As for whether China should participate in the U.S.-Russia negotiations on reduction of strategic arms, Yeltsin said he was told of the Chinese position in this regard as "non-proliferation and total elimination," adding "it's important for us."

However, he said, the present "numbers of our weapons are incompatible" and therefore, "it is unthinkable and incompatible" for China to participate in the negotiations and treaty between Russia and U.S.

Only when the United States and Russia reduce their weapons to a minimum sufficiency level, he said, could Britain, France and China be involved and "we will think how to proceed from that in reducing the level of strategic nuclear weapons."

On the prospect of Russia's ties with Taiwan, he said that they will not be on government level and there will be no government structures, and "this is the most important thing." Instead, he said, there will be "direct company-to-company and bank-to-bank relations."

Defense Ministries Work on Pact

HK1812153692 Hong Kong AFP in English 1508 GMT
18 Dec 92

[By Bruce Shu]

[Text] Beijing, Dec 18 (AFP)—Russia is ready for full cooperation with China in all fields, including military high technology, and can take inspiration from its Asian neighbor's shock-free economic reforms, President Boris Yeltsin said here Friday.

"We are prepared for cooperation in all fields, including the most sophisticated weapons and armaments," he told a packed news conference after winding up the key part of his three-day visit to China.

The Russian leader said the two countries signed a memorandum of understanding on military and technical cooperation that was not previously expected. The two Defense Ministries would iron out a formal agreement, he said without disclosing what military deals they had in mind.

Both Moscow and Beijing have ruled out an alliance and in an apparent bid to reassure Western allies, Yeltsin said: "Russia is a great Euro-Asian power. To us there is no choice among the United States, China and Germany."

The president said he would go to the United States in early January to sign the START [Strategic Arms Reduction Talks] 2 arms reduction treaty with President George Bush.

China and Russia signed 24 documents in all during Yeltsin's visit, including a joint communique setting out the principles that will guide the new relationship.

Russia will build two 1,000-megawatt nuclear power plants in China worth 2.5 million dollars, officials said. Other accords covered the peaceful use of nuclear energy, science and technology, and personnel exchanges.

Speaking in the context of what he called a shift in Russian diplomacy toward East Asia, Yeltsin hailed a

"new impetus" in relations with China, which he said had reached a "new stage" and were "free of any political conflict."

The president had a two-hour meeting with Chinese Premier Li Peng earlier in the day and a separate half-hour talk with Communist Party General Secretary Jiang Zemin.

He also toured the Forbidden City, home of China's past emperors, waving to tourists and stopping to answer reporters' questions. The Russian first lady, Naina, donned a heavy fur coat against a cold Beijing wind.

With his own ambitious reform plan floundering at home, Yeltsin was quick to praise Deng Xiaoping's reform and opening policy, noting that China's approach—which combines economic change with political heavyhandedness—had led to reform "without cataclysms" or a decline in the standard of living.

"It is very important, and for us it is significant," the president said, adding that "Russia needs no revolution and no cataclysms either."

He praised Deng's pragmatism and quoted the 88-year-old Chinese leader's maxim: "It doesn't matter if a cat is black or white as long as it catches mice."

Deng is officially retired and does not receive foreign guests, and Yeltsin said he asked Chinese President Yang Shangkun to convey his regards to a fellow reformer.

The Russian president will have a chance to see firsthand the fruits of Deng's 14-year-old policy when he goes Saturday to Shenzhen, a special economic zone in southern China that is the showcase of reform.

Yeltsin has stressed his wish for an even broader expansion of trade with China, which is estimated to reach five billion dollars this year.

"Let the Asian Silk Road be the road of prosperity," he said, calling for stepped up exchanges of students, businessmen and technicians.

On international relations, the two countries agreed on the need for global disarmament, Yeltsin said, adding that the two sides also held "similar positions" on Cambodia, Yugoslavia and the Korean peninsula.

The president appeared keen to develop Russia's relations with Taiwan, but he pledged to refrain from official ties, saying, for example, that Moscow would consult Beijing before starting up any military cooperation.

He described the Nationalist island as "a cash-rich country."

"In other countries, they have politics, but they have no cash," he added.

Yeltsin's visit is his first here since January, when China established diplomatic relations with the newly independent Russia.

The last head of state from to visit here [as received] was former Soviet president Mikhail Gorbachev, who arrived in the midst of the Tiananmen Square democracy movement for a historic summit meeting with Deng that ended 30 years of bitter relations with China.

Deng 'Not in Good Health'

OW1812153292 Tokyo KYODO in English 1502 GMT
18 Dec 92

[Text] Beijing, Dec. 18 KYODO—China's paramount leader Deng Xiaoping is not in good health, Russian President Boris Yeltsin said Friday.

At a press conference after signing a China-Russia joint declaration, Yeltsin made the remarks based on a Chinese briefing about Deng's condition.

The Russian president, who arrived in Beijing on Thursday for a three-day official visit, met with Chinese President Yang Shangkun, Premier Li Peng, and Chinese Communist Party chief Jiang Zemin, but failed to have talks with Deng.

Former Soviet President Mikhail Gorbachev met with Deng when he visited Beijing in May 1989 and put an end to decades-old antagonism between the two communist super powers.

The 88-year-old Chinese strongman was last seen in public October 19 when he met with the 2,000 delegates of the 14th Communist Party Congress.

Further on News Conference

OW1812191492 Beijing XINHUA Domestic Service in Chinese 1602 GMT 18 Dec 92

[By reporters Zhou Shuchun (0719 2885 2504) and Lu Jin (4151 0513)]

[Text] Beijing, 18 Dec (XINHUA)—On the eve of ending his visit to Beijing, Russian President Yeltsin said that Russian-Sino relations have "entered a new stage and ushered in a new era," not only because the two countries have restored their original good relations, but also because Sino-Russian relations have been injected with an "entirely new impetus"—mutual trust.

At a news conference held this evening at the Shangri-la Hotel in Beijing, President Yeltsin expressed "deep satisfaction" with his visit. He said that because of the visit "an important step was made in developing bilateral ties, and a new page has been opened in Sino-Russian friendly relations."

He said that Russia respects China's Five Principles of Peaceful Coexistence. The primary feature of the new Sino-Russian relations is that both sides conduct sincere cooperation in various spheres on the basis of "mutual trust and good-neighborliness."

Touching on the development of Russian-Sino cooperation, Yeltsin said that China has become one of Russia's

leading partners, "not only in Asia, but also globally." This year, Russian-Sino trade will reach a record \$5 billion. On the basis of the more than 20 agreements signed by both sides today, the trade volume will reach some \$8 billion in the next two or three years.

He said: "We are prepared to cooperate in all directions" and "build our relations on a sound commercial basis." He said that developing border trade is "only the beginning." The two countries will launch joint ventures and set up joint banks in Russia and China and promote mutual investments.

Commenting on his impressions of his trip, Yeltsin spoke highly of China's achievements. He said that his visit has made him "change, to a large extent, his opinions of this country."

He said that Russia is "interested" in China's reform experience, adding that we can learn from the experience to enrich our reforms. He pointed out that China's reform is "steady and advances in order and step by step. This is very important, and it is of great significance for us." Yeltsin said that both Russia and China are in the process of reform, adding that strengthened Sino-Russian friendly relations will ensure "maximum favorable conditions" for realizing each other's modernization goals.

On the prospect of Russia's ties with Taiwan, Yeltsin said that "they will not be on a governmental level, and there will be no government structures." There is only one China in the world, and Taiwan is a part of China. Russia's ties with Taiwan are "nonofficial, nongovernmental" and are "company-to-company and bank-to-bank" ties.

In response to a reporter's question whether Russia and China hold identical views on some international issues, President Yeltsin said that the sides share identical or similar views on such regional issues as the Korean peninsula, Cambodia, and former Yugoslavia.

On the reduction of strategic weapons, Yeltsin said that in the near future, Russia and the United States will initial the "Second-Step Strategic Arms Reduction Treaty" aimed at reducing the two sides' strategic weapons by two thirds. He also said that in his talks with Chinese leaders, they explicitly reiterated China's position on resolute support for reducing and totally destroying nuclear weapons as well as for nonproliferation of nuclear weapons. He was of the opinion that only when the United States and Russia reduce their strategic weapons to a "sufficiently low level" will it be necessary for Britain, France, and China to take part in this process.

Taking part in today's press conference were 250 Chinese and foreign reporters, including more than 120 Russian reporters and reporters from other countries who had made a special trip to China to cover the visit.

'Text' of Press Release on Yeltsin Visit

OW1912112492 Beijing XINHUA in English 1108
GMT 19 Dec 92

[Text] Beijing, December 19 (XINHUA)—The Chinese Foreign Ministry issued a press release today on Russian President Boris Yeltsin's official visit to China, saying that the two countries are satisfied with the results of the first Sino-Russian summit.

The full text of the release reads as follows:

At the invitation of President Yang Shangkun of the People's Republic of China, President B. N. Yeltsin of the Russian Federation paid an official visit to China from December 17 to 19, 1992.

The Russian president laid a wreath at the Monument to People's Heroes.

President B. N. Yeltsin had meetings or talks respectively with General Secretary Jiang Zemin of the Chinese Communist Party Central Committee, President Yang Shangkun of the People's Republic of China and Premier Li Peng of the State Council. The meetings and talks proceeded in a friendly, candid and constructive atmosphere and in the spirit of mutual respect, understanding and trust.

The two sides expressed satisfaction with the results of the first Sino-Russian summit.

Leaders of the two countries had an in-depth exchange of views on the development of bilateral relations, briefed each other on their respective domestic social, political and economic situation and progress of reform, and discussed the current world situation and international issues of mutual interest. They agreed on enhancing the exchange of information about each other's economic reform. The two sides were of the view that the stability and prosperity of China and Russia are indispensable to maintaining international peace, stability and prosperity.

The two sides were satisfied with the steady expansion of bilateral cooperation in the political, economic, trade, scientific, technological, cultural and other fields, and were willing to further expand and deepen such cooperation. The two sides held that the first Sino-Russian summit ushered in a new stage for bilateral relations of good-neighborliness and friendship and mutually beneficial cooperation. The natural different views held by the two sides on certain issues should not hamper the normal development of state-to-state relations, and instead can be topics for consultation at various levels.

President Yang Shangkun and President B.N. Yeltsin signed the Joint Declaration between the People's Republic of China and the Russian Federation on the principles governing relations between the two countries. The two sides pointed out that the joint declaration lays down the principled foundation for the development of relations between the two friendly countries and is of

enormous significance. The Chinese and Russian peoples enjoy a profound traditional friendship. China and Russia are two big neighboring nations sharing a boundary extending several thousand kilometers. Implementation of the principles of the Joint Declaration is conducive to the mutual understanding and friendship and the actual cooperation of equality and mutual benefit between the two countries, and to turning the long common boundary into one of peace and cooperation. The two sides held that maintenance and development of a long-term and stable relationship of good-neighborliness, friendship and mutually-beneficial cooperation between China and Russia conforms with the fundamental interests of the two peoples and also facilitates peace and development in Asia and the world as a whole.

During the visit, the two sides signed 24 governmental and departmental agreements or documents on cooperation between China and Russia in various fields. They include the protocol between the two governments on economic and trade cooperation for 1993, the agreement on cooperative construction of a nuclear power station in China and on a government loan from Russia to China, the agreement on a government loan in the form of commodities from China to Russia, the agreement on international auto transportation, the agreement on scientific and technological cooperation, the agreement on cooperation in the peaceful use and research of the outer space, the agreement on cultural cooperation, the agreement on cooperation between Beijing and Moscow, and the contract on Russia providing equipment for China's Shantou thermopower plant.

The two sides believed that the above documents will fortify the legal basis for the effective and mutually beneficial cooperation in the related areas between the two countries. The Sino-Russian summit will promote the development of cooperation in other fields.

Leaders of the two countries spoke highly of the results of the latest round of boundary talks and negotiations on mutual reduction of military forces in the border areas and on measures to increase trust in the military field between the delegation of the People's Republic of China and the first joint delegation of Kazakhstan, Kyrgyzstan, the Russian Federation and Tajikistan. During this visit, China and Russia signed a governmental memorandum of understanding and agreed to quicken the pace of drawing up an agreement on the mutual reduction of military forces in the border areas and on increasing trust in the military field.

Leaders of the two countries were satisfied with the development of Sino-Russian economic, trade, scientific and technological cooperation, the growth of bilateral trade volume in 1992, the diversified forms of bilateral cooperation and the preparation and implementation of a series of projects of investment and science and technology. They held that the Sino-Russian Governmental Committee on Economic, Trade, Scientific and Technological Cooperation plays an important role.

The two sides attached great importance to the further development of economic cooperation and direct links between the border areas and regions of the two countries, stressing all-out efforts to support such activities, improve the related legal basis and economic infrastructure, and remove the barriers in import and export and in developing joint ventures and other forms of direct cooperation between Chinese and Russian businesses and entrepreneurs.

The two sides were especially concerned about the transportation facilities designed to meet the growing need of bilateral economic cooperation and trade, and the construction at the newly-opened border ports and relevant facilities. Thus, they enjoined the governmental joint committee on economic, trade, scientific and technological cooperation to formulate and adopt measures to enlarge the capacity of Chinese and Russian transportation lines so as to ensure a steady flow of passengers and foreign trade goods.

Leaders of the two countries were of the view that China and Russia have favorable conditions and broad prospects for deepening scientific and technological cooperation in various fields.

President Yeltsin pointed out that both Russian and Chinese economies have great potentials and the economic structures of the two countries are complementary to each other. He invited Chinese organizations and business people to invest in Russia, including the area of diversion of military facilities to civil use. Chinese leaders said they were ready to promote this. The two sides stressed the importance of expanding the exchanges between organizations and companies of the two countries, including the participation of Chinese investors in establishing export-oriented enterprises in Russia.

The two sides pointed out that tremendous changes have taken place in the international situation. The "Cold War" has come to an end and so has the bipolar structure; the danger of world war has decreased, and there exists the real possibility for maintaining and consolidating a peaceful international environment.

On the other hand, the two sides believed that some old contradictions still exist in the world situation while some new ones have emerged. New national conflicts, territorial disputes and religious strifes are on the rise. Greater attention and efforts are needed on the part of the international community to mediate these conflicts in a fair, reasonable and peaceful way.

Leaders of the two countries stressed that China and Russia, being permanent members of the United Nations Security Council, shoulder special responsibility in maintaining international peace and security. The two sides expressed their readiness to continue their consultation and cooperation on international issues.

The two sides believed that the situation in the Asia-Pacific region is developing in the direction of detent

and stability, and maintaining peace, stability and cooperation in the Asian region is in the common interest of all countries in this region and the world.

The two sides took a positive attitude towards the multilateral economic cooperation in the Far East and the Asian region. The two sides agreed that the implementation of multilateral cooperation projects in that region and the coordination of the efforts of China and Russia in this aspect will surely exert a positive impact on the economic development of the two countries, on the overall socio-economic development of that region and on the strengthening of cooperation between different countries in that region.

Leaders of the two countries stressed the importance for all signatories to the Paris Agreement on the Cambodian issue and all parties of Cambodia to make positive efforts for a comprehensive and strict implementation of the Paris Agreement so as to overcome at an early date the difficulties in the process of settling the Cambodian issue.

The two sides agreed that it is of important significance to peace and development in northeast Asia to maintain stability on the Korean peninsula and make it a zone free of nuclear weapons and other weapons of massive destruction. The two sides supported the joint declaration of the northern and southern parts of Korea on the denuclearization of the Korean peninsula. The two sides stressed that political dialogue between the northern and southern parts of Korea is very important. The two sides pointed out that further development of China's and Russia's relations with the Democratic People's Republic of Korea and the Republic of Korea is conducive to stability and security on the Korean peninsula.

President Yeltsin expressed gratitude to the Chinese Government and people for the warm hospitality accorded to him and his party.

President Yeltsin invited the general secretary of the Chinese Communist Party central committee, the Chinese president and the Chinese premier to pay official visits to Russia. The Chinese side accepted the invitation with appreciation.

PRC-Russia Talks, Impact Appraised

*HK2012074792 Beijing ZHONGGUO XINWEN SHE
in Chinese 0950 GMT 19 Dec 92*

[By reporter Li Wei (2621 0251)]

[Text] Beijing, 19 Dec (ZHONGGUO XINWEN SHE)—What impact will the developments in China and Russia, two large neighboring countries, have on the world? Both the Chinese and Russian sides maintain that "the stability and prosperity of China and Russia are indispensable conditions for maintaining peace, stability, and prosperity in the world."

This is a view reflected in the information released by the Chinese Foreign Ministry to reporters today upon Russian President Boris Yeltsin's departure for home after his visit to China. It is said that the release to the press of the information about Yeltsin ending his official visit to China was an arrangement on which both the Chinese and Russian sides had agreed.

It is reported that the two sides unanimously agree that the first Sino-Russian high-level meeting [gao ji hui wu 7559 4787 2585 2524] has opened up a new stage of friendly, mutually beneficial, and cooperative neighborly relations between the two countries. The natural differences between the two sides on certain questions should not become obstacles to the normal development of bilateral relations, but should rather be taken up as topics for discussion during consultations between the two sides at different levels. The Sino-Russian joint declaration providing the basis for bilateral relations is of very great significance. The implementation of all the principles set by this declaration will be conducive to the mutual understanding and friendship between the two countries and to the enhancement of practical cooperation based on the principle of equality and mutual benefit, and it will also help to make the long common border between the two countries a peaceful and cooperative one.

During the president's visit, the two sides signed a total of 24 intergovernmental and interdepartmental agreements or documents concerning cooperation between China and Russian in different areas. Among them were the protocol between the Chinese and Russian Governments on economic and trade cooperation for 1993, the accord on the extension of a Russian loan to China for a joint project to build a nuclear power plant in China, the agreement on the extension of Chinese Government loans to Russia for commodities, the agreement on international motor transport, the agreement on scientific and technological cooperation, the agreement on cooperation in the peaceful use of and research in outer space, the agreement on cultural cooperation, the accord on cooperation between Beijing and Moscow, and the contract on supply of equipment by Russia to the Shantou Thermal Power Plant of China.

The information released by the Foreign Ministry said the Chinese and Russian leaders have highly appreciated the progress made during the latest round of talks on the border issue. The talks were the first of their kind to be held between the Chinese delegation and a delegation jointly formed by Kazakhstan, Kyrgyzstan, Russia, and Tajikistan. They also highly appraised the outcome of the negotiations on measures for mutual reduction of military forces and strengthening of trust between border areas of China and Russia in the military aspect. During the visit, the Chinese and Russian parties signed a memorandum on intergovernmental understanding, agreeing to accelerate the pace of forming an agreement on mutual reduction of military forces and strengthening of trust in border areas in the military aspect.

The two parties have shown particular concern about the construction of communication and transport facilities, new border ports, and relevant facilities to suit the needs arising from the evergrowing economic and trade cooperation between the two countries. In this connection, the China-Russia intergovernmental joint committee for cooperation in the fields of economy, trade, and science and technology has been assigned to formulate and adopt measures to increase the capacity of communication and transport lines between China and Russia, so as to ensure stable operation of passenger and freight transport services between the two countries.

Leaders of the two countries stressed that China and Russia, both as permanent members of the UN Security Council, bear special responsibility for safeguarding international peace and security. The two parties expressed their willingness to carry on consultations and cooperation on international issues.

It is reported that both the Chinese and Russian sides unanimously hold to the view that the maintenance of stability on the Korean peninsula and the effort to render it a nuclear-free zone and a zone free of other massive lethal weapons are of important significance to peace and development in Northeast Asia. The two sides endorsed the joint manifesto between North and South Korea on the denuclearization of the Korean peninsula. The two sides emphasized that political dialogue between the Northern and Southern parts of Korea is essential. They noted that it will be conducive to the maintenance of stability and security on the Korean peninsula for China and Russia to further develop their relations with the DPRK and the ROK.

Boris Yeltsin extended invitations to General Secretary Jiang Zemin, President Yang Shangkun, and Premier Li Peng for an official visit to Russia. The Chinese side expressed thanks and accepted the invitations.

Editorial on PRC-Russian Joint Declaration

HK1912070092 Hong Kong WEN WEI PO in Chinese
19 Dec 92 p 2

[Editorial: "An Important Document on Sino-Russian Relations"]

[Text] During President Yeltsin's China visit, President Yeltsin and President Yang Shangkun initialed a joint declaration which is an important document in the history of Sino-Russian relations and has far-reaching significance to the development of Sino-Russian relations.

Both China and Russia are countries with large territories, are nuclear powers, are permanent members of the UN Security Council, and share long boundaries. The friendly cooperation between these two powers is of tremendous significance to world peace and development. Should disputes surface between them, the two sides would use huge defense expenditures in a confrontation. However, the time is past when a million troops confronted each other. In the joint declaration initialed

during Yeltsin's China visit, the two sides view each other as friendly countries and oppose hegemonism and power politics in any form; however, this clause is not aimed at third countries.

The Sino-Russian Joint Declaration demonstrates that the fight against hegemonism does not target any third country, but that neither China nor Russia will pursue hegemonism or power politics. However, if there really is such a phenomenon of hegemonism, the peace-loving countries of the world will all join forces to fight against it. Such a joint statement and communique is very rational and helpful to world peace and a stable situation. It would be helpful to the security and stability of the Asian-Pacific region and it would restrict unstable factors if China, Russia, and the United States all observe the Five Principles for Peaceful Coexistence while refraining from seeking hegemonism.

The cold war is over. No countries of the world should be categorized enemies or friends based on their differences in social systems and ideologies, thus creating antagonism. China and Russia are successful in dealing with their bilateral relations; China respects the Russian people's choice of their own road; likewise, Russia respects the Chinese people's choice of socialism; such mutual respect has laid a foundation for good-neighborly and friendly relations. The Sino-Russian Joint Declaration acknowledges that "differences in social systems and ideologies should not impede normal development in state-to-state relations." Neither party will join any military or political alliance against the other party or allow its territory to be used by a third country to infringe on the sovereignty and security interests of the other party.

The Sino-Russian Joint Declaration stresses the need to continue negotiations on unsettled boundary sections of the Chinese-Russian boundaries based on the spirit of consultation on an equal footing, mutual understanding, and mutual accommodation. The two sides hold the view that the military forces in the Sino-Russian border areas should be reduced to the minimum level commensurate with the normal and good-neighborly relations between the two countries; the two sides will maintain military contacts according to the usual international practice to build up their mutual confidence and cooperation in the military field, and exchange programs will be formulated. The two parties reiterate that they "will not be the first to use nuclear weapons" under any circumstances. Therefore, we can see that the Sino-Russian Joint Declaration has provided the groundwork for creating a 7,000 km friendly boundary for the two sides to save voluminous amounts on military expenditures, to be spent on economic construction and bilateral trade. The two sides will find a tremendous commodity market as well as new sources of raw materials, whereas their underdeveloped border areas will expand their commerce and industries with consequential great improvements in the people's living standards.

The Sino-Russian Joint Declaration "stresses consultation with each other and consultation on international

issues within the framework of the United Nations." This will be helpful to constant Sino-Russian political dialogues and in augmenting their cooperation in international affairs. With the surfacing of a multipolar world, regional disputes have increased, and international consultations will help settle disputes and safeguard regional peace. The United Nations' prestige will be elevated and it will play its due role from now on. When two of the UN Security Council permanent members, China and Russia, augment consultation, their influence will naturally grow stronger.

The Sino-Russian Joint Declaration also includes the clause that "Russia will not establish governmental relations and ties with Taiwan." The Chinese Government is the sole legitimate government representing China in its entirety, all countries that have ties and have developed diplomatic relations with China should observe this principle, and Russia is not the only one to observe this.

Yeltsin's China visit has been successful, and Sino-Russian relations will be elevated to a new level. This will inevitably bring vigorous economic development to the Asian-Pacific region and positive effects to world peace.

Russian First Lady Views Beijing Art Exhibition

*OW1812115992 Beijing XINHUA in English 1150
GMT 18 Dec 92*

[Text] Beijing, December 18 (XINHUA)—Naina Yeltsin, who is here on a visit with her husband, President of Russia Boris Yeltsin, attended the opening ceremony today of a painting exhibition titled, "I.Y. Repin and Other Russian Artists of His Time".

The exhibition is being held in the Yan Huang Art Gallery and is sponsored by the China Exhibition and Exchange Center, the Russian Scientific Research Museum of Fine Art and the Artistic Design Joint Enterprise of Russia, as part of the cultural exchange plan 1991-1993 between the two countries.

Addressing the opening, Gao Zhanxiang, Chinese vice-minister of culture, called the exhibition "a major event in the history of Sino-Russian cultural exchanges". It will surely play a positive role in developing the friendship and co-operation between the two peoples, he said.

Naina Yeltsin and Lei Jieqiong, vice-chairman of the Standing Committee of China's National People's Congress, cut the ribbon for the opening ceremony.

The 57 oil paintings on show are works by Repin, Levetan, Arkhipov and 15 other leading Russian artists of the late 19th Century.

The exhibition will last until February. A month later, it will move to Shanghai.

Yeltsin Departs China Ahead of Schedule

HK1912012892 Hong Kong AFP in English 0118 GMT
19 Dec 92

[Text] Beijing, Dec 19 (AFP)—Russian President Boris Yeltsin cut short his state visit to China on Saturday [19 December], cancelling a side trip to Shenzhen Special Economic Zone to return to Moscow early, a Chinese Foreign Ministry official said.

The reason for the cancellation was not immediately clear. The president cancelled the day trip and was returning to Moscow, the official told journalists assembled on a bus waiting to depart for the airport and Shenzhen.

Yeltsin was on the last day of his three-day visit and had been scheduled to take a quick tour of Shenzhen, a prospering showcase of reform in southern China adjacent to Hong Kong. The Russian president completed two days of talks in the capital with Premier Li Peng and other Chinese leaders.

There had been speculation before Yeltsin came to China on Thursday that he would cancel his trip altogether because of a domestic political crisis that pits him against Russia's conservative parliament.

Foreign Ministry on Departure

OW1912013592 Beijing XINHUA in English 0125
GMT 19 Dec 92

[Text] Beijing, December 19 (XINHUA)—Russian President Boris Yeltsin cut short his China trip and left here for home this morning, without going to Shenzhen as previously scheduled, according to sources.

"President Yeltsin's visit to China has been very smooth and successful," a Chinese Foreign Ministry source said.

"With prior notification to the Chinese side, President Yeltsin, owing to his busy schedule at home, has ended his visit and left Beijing for home on the morning of December 19 ahead of schedule after fulfilling the major part of his program in China," the source said.

Yeltsin was originally scheduled to tour Shenzhen, a special economic zone in south China, on the last day of his three-day official visit.

Yeltsin Returns to Moscow

OW1912101592 Beijing XINHUA in English 1002
GMT 19 Dec 92

[Text] Moscow, December 19 (XINHUA)—Russian President Boris Yeltsin and his wife returned home today by special plane after concluding his first official visit to China since he came to power.

During his three-day stay in China, he had talks separately with Chinese President Yang Shangkun, General Secretary of the Chinese Communist Party Jiang Zemin and Chinese Premier Li Peng.

China and Russia signed over 20 documents on bilateral cooperation during Yeltsin's visit.

Moscow Arrival Reported

OW1912161692 Beijing XINHUA in English 1601
GMT 19 Dec 92

[Text] Moscow, December 19 (XINHUA)—Russian President Boris Yeltsin arrived back here today after interrupting his visit to China.

He had fulfilled the major part of his official program in Beijing, but had failed to make a trip to the Shenzhen Special Economic Zone, which was included in his itinerary.

Yeltsin said at the airport that he had ended the visit earlier than planned because he had numerous problems to tackle at home.

"The struggle for ministerial posts has become much too intense in Moscow," he said.

On December 9, the parliament rejected Yeltsin's nomination of Yegor Gaydar, a radical reformist and Yeltsin's vigorous supporter, as prime minister.

This move exacerbated the existing political crisis between the Parliament and Yeltsin, who has been under attack for failing to improve the country's ailing economy.

"President Yeltsin's visit to China was very successful," a source in the Chinese Foreign Ministry told ITAR-TASS.

During his three-day stay in Beijing, Yeltsin held talks separately with President Yang Shangkun, General Secretary of the Communist Party Jiang Zemin and Premier Li Peng.

Yeltsin said after his visit that Russo-Chinese relations had been given a strong boost, and their prospects were good.

During his visit, the two sides signed over 20 agreements on mutual cooperation.

Calls Trip 'Very Good'

OW2012084592 Beijing XINHUA Domestic Service in
Chinese 0700 GMT 20 Dec 92

[By reporters Wan Chengcai (8001 2052 2088) and Huang Huizhu (7806 1979 3796); from the Local Broadcast News Service]

[Text] Moscow, 19 Dec (XINHUA)—Russian President Yeltsin wound up his visit to China ahead of schedule and returned to Moscow on the morning of 19 December. At Moscow airport, he said that his first official visit to the PRC was a very good one; that although the visit lasted only two days, he completed his official itinerary; and that he was unable to visit the

Shenzhen Special Economic Zone in southern China because Moscow needs to organize a new government.

Responding to Chinese reporter's questions, President Yeltsin said that there are very broad prospects for development in all fields between Russia and China; that he discussed more than 30 questions with President Yang Shangkun, General Secretary Jiang Zemin, and Premier Li Peng, reached agreements on the discussed matters, and signed 24 cooperation documents. He said that the two countries have entered a stage of friendship because China is establishing a socialist market economy and Russia is carrying out reforms. Yeltsin said that Russia can learn something from China's reform experience and China can also draw on some of Russia's experiences.

Yeltsin said that he had already extended an invitation for President Yang Shangkun, General Secretary Jiang Zemin, and Premier Li Peng to visit Russia.

Returns To Form Government

OW1912204692 Beijing XINHUA in English 2008
GMT 19 Dec 92

[Text] Moscow, December 19 (XINHUA)—Russian President Boris Yeltsin, who cutting short his visit to China, returned home on Saturday [19 December].

He was met at Moscow's airport by Deputy President Aleksandr Rutskoy and Parliament Chairman Ruslan Khasbulatov.

INTERFAX news agency quoted Yeltsin's spokesman Vyacheslav Kostikov as saying on arrival in Moscow: "Certain political figures and parties have become too active in questions concerning formation of the government," but he did not explain in details.

On his arrival in Moscow, Yeltsin said it was essential "to start the formation of a new government immediately, and the main thing is to preserve the nucleus of the Gaydar government," ITAR-TASS reported.

Yeltsin said he would exchange views with newly elected Prime Minister Viktor Chernomyrdin and first Deputy Prime Minister Vladimir Shumeyko on Sunday and Monday on issues of forming the new cabinet.

Names Gaydar Economic Adviser

OW1712140292 Beijing XINHUA in English 1307
GMT 17 Dec 92

[Text] Moscow, December 17 (XINHUA)—Russian President Boris Yeltsin has appointed Yegor Gaydar as his economic advisor and chief of an economic institute, the ITAR-TASS news agency reports today.

The 36-year-old Gaydar, who led Russia's drive to the free market over the past 11 months, first as deputy prime minister and then as acting prime minister, was replaced by his former deputy, Viktor Chernomyrdin, on Monday [14 December].

In a decree, ITAR-TASS says, Yeltsin formally named Gaydar as a presidential advisor on economic policy matters, a duty he will fulfill in his new job as director of the newly formed Institute for Economic Problems in the Transitional Period.

Yeltsin, who accepted the change grudgingly under intense pressure from parliament, signed the decree confirming Gaydar's sacking before leaving for China on Wednesday.

Yeltsin named Gaydar as deputy prime minister in November 1991. He became first deputy prime minister three months later. Last June, he began work as acting chief of the Russian Government.

Charge d'Affaires Receives Georgia's Shevardnadze

OW1912132892 Beijing XINHUA Domestic Service in
Chinese 0349 GMT 12 Dec 92

[Text] Moscow, 11 Dec (XINHUA)—Shevardnadze, president of the Republic of Georgia and chairman of the Parliament of the Republic of Georgia, met with Xu Zhijiang, charge d'affaires ad interim of the Chinese Embassy in Georgia, at Georgia's parliament on 11 December.

During the meeting, Shevardnadze said: Georgia is ready to develop comprehensively cooperative ties with China in the political, economic, cultural, scientific, and technological fields.

As far as the Taiwan issue is concerned, Shevardnadze stressed that Georgia supports the principle and position of the People's Republic of China. He reaffirmed that Georgia is opposed to the concept of "two Chinas" or "one China and one Taiwan." He assured that his country will not establish any form of official ties with Taiwan.

Northeast Asia

Kim Yong-sam Elected President of ROK

OW1912134192 Beijing XINHUA in English 1311
GMT 19 Dec 92

[Text] Seoul, December 19 (XINHUA)—Kim Yong-sam, executive chairman of the Democratic Liberal Party (DLP), has been elected the new president of the Republic of Korea, the Central Election Management Committee officially announced today.

In Friday's presidential election, Kim Yong-sam captured 42 percent of the total votes, followed by Kim Tae-chung of the Democratic Party (DP) with 34 percent and Chung Ju-yung of the United People's Party (UPP) with 16 percent.

Kim Yong-sam will take office on February 25 next year, replacing No Tae-u for a single five-year term. No is legally barred from standing again.

The Election Management Committee said 81.9 percent of the 29.4 million eligible voters cast their ballots. The figure was 8.7 percent lower than that of the 1987 presidential election.

Seven presidential candidates were contending in Friday's election—Kim Yong-sam, Kim Tae-chung, Chong Chu-yong, and Pak Chan-chong of the New Political Reform Party (NPR), Yi Pyong-ho of the Korea Justice Party (KJP), and independents Kim Ok-son and Paek Ki-wan.

The election was the second free presidential election in South Korea, and Kim Yong-sam will be the first civilian president of the country.

Kim Yong-sam was born on the island of Koje, near Pusan, on December 20, 1927. He has had a long and distinguished career of service to both his country and the South Korean people.

On January 22, 1990, President No, along with Kim Yong-sam and Kim Chong-pil, declared the merger of their three political parties—the Democratic Justice Party, the Reunification Democratic Party and the New Democratic Republic Party—to form the Democratic Liberal Party.

Kim Yong-sam was named executive chairman of the ruling DLP on May 19, 1992, and was nominated presidential candidate of the party to run for the 14th term of the presidency of the republic.

He told a press conference here today that the joy of being elected president was overwhelmed by an enormous sense of responsibility and historical mission.

He said he would do everything possible to make the South Korean people feel safe in the transitional period of administration.

On international relations, he said he would preside over his nation's ascendance to the center role in the coming Asia-Pacific era.

Foreign Ministry Congratulates Kim

OW1912091992 Beijing XINHUA in English 0913
GMT 19 Dec 92

[Text] Beijing, December 19 (XINHUA)—A spokesman for the Chinese Foreign Ministry today extended congratulations to Kim Yong-sam for winning the presidential election of the Republic of Korea (ROK).

The spokesman made the statement when asked to comment on Kim's winning of the presidential election.

The 14th ROK presidential election took place yesterday. According to initial results announced by the Central Election Management Committee today, he took an unassailable lead over his major rival Kim Tae-chung and has in fact won the election.

"We congratulate Mr. Kim Yong-sam on his election as the 14th president of the ROK," the spokesman said.

"The Chinese Government is willing to join the government of the ROK in further developing the friendly and good-neighborly relations and cooperation between the two countries on the basis of the Sino-ROK Joint Communiqué on the establishment of diplomatic relations," the spokesman added.

Kim Yong-sam Profiled

OW1912092092 Beijing XINHUA in English 0903
GMT 19 Dec 92

[Text] Seoul, December 19 (XINHUA)—Kim Yong-sam, the executive chairman of the ruling Democratic Liberal Party (DLP), was elected as the new president of the Republic of Korea yesterday to replace No Tae-u for a single five-year term starting next February.

Kim, 65, was born on December 20, 1927, on the island of Koje, near Pusan, the second largest city in South Korea.

His first call to duty came during the Korean civil war, when he served as a troop information and education specialist.

In 1954, he was first elected to the National Assembly, South Korea's legislative body, and has since been re-elected nine times.

In addition, he served four times as president of the major opposition party, five times as floor leader and twice as executive chairman of the ruling DLP party.

Kim was elected president of the New Democratic Party (NDP) in 1974 and 1979 respectively. In the fall of 1979, he was suspended from performing his duties as an opposition party president and expelled from the national assembly by the then government.

From May 18, 1980, to April 30, 1981, in a period of martial law, Kim was placed under house arrest. On November 24, 1980, he was banned from all political activities. This was then lifted for a short period. However, on May 31, 1981, he was again placed under house arrest which lasted for two years.

During this personally turbulent and painful period, Kim's commitment to "the realization of full democracy" in South Korea never wavered.

On May 18, 1983, he went on a hunger strike to dramatize the people's fervent desire for democratic reform. This symbolic move proved to be a turning point in Kim's life as his own March toward the institutionalization of democracy, and democratic reform in South Korea began to hasten.

Kim organized the Council For the Promotion of Democracy in May 1984 and was elected co-chairman of the council which was South Korea's sole "fully-organized pro-democratic force" at that time.

After years of "unofficial" work, Kim officially founded the New Korea Democratic Party in 1985. On March 6 of the same year, the ban on his political activities was finally and forever lifted.

On January 22, 1990, President No Tae-u along with Kim Yong-sam and Kim Chong-pil declared the merger of their three political parties—the Democratic Justice Party, the Reunification Democratic Party and the New Democratic Republican Party—to form the Democratic Liberal Party (LDP).

Kim Yong-sam was named executive chairman of the ruling DLP party on May 19, 1992, and was nominated as the party candidate to run for the 14th term of the South Korean presidency.

Kim and his wife, Son Myung-sun have two sons and three daughters.

ROK Business Delegation Visits Jilin

SK2112082092 Changchun JILIN RIBAO in Chinese
25 Nov 92 p 1

[Text] A seven-member ROK delegation including Son Sok-ho, president of Mankwang Development Corporation; Pak Chun-yong, president of the Hanil Comprehensive Industrial Corporation; and their entourage arrived in Changchun on the evening of 22 November to pay a visit to our province.

On the evening of 23 November, Vice Governor Liu Xilin received and feted the seven South Korean guests, including Son Sok-ho and Pak Chun-yong, in the Nanhu Guesthouse. During the reception, Vice Governor Liu Xilin informed the Korean guests on the province's situation in economic development strategy, investment environment, and preferential policies. The Korean guests were extremely interested in the development along the Tumen Jiang and construction of Changbaishan tourist zone and were willing to make active efforts in these projects.

The two presidents of the Korean corporations came to our province on many occasions and made active efforts to help our province introduce outside funds. They were appointed economic and technical advisers to our province.

During the reception, Vice Governor Liu Xilin also presented the letters of appointment to the two presidents of Korean corporations.

Near East & South Asia

Spokesman Criticizes Israeli Expulsions

OW1912092892 Beijing XINHUA in English 0919
GMT 19 Dec 92

[Text] Beijing, December 19 (XINHUA)—A Chinese Foreign Ministry spokesman today called on the Israeli authorities to stop the expulsion of Palestinians.

Asked to comment on the Israel's expulsion, the spokesman said that Israel's expulsion of a large number of Palestinians "has intensified the tension in that region and has caused concern and anxiety among the international community".

"This act has violated the Geneva Convention and impaired the Middle East peace process," the spokesman said.

"We call on the Israeli authorities to stop the expulsion forthwith and allow the expelled Palestinians to return to their homeland," the spokesman said.

XINHUA Interviews Palestinian Deportees

OW2112134892 Beijing XINHUA in English 1313
GMT 21 Dec 92

[By Zhao Zhuxiu and Li Shaoqing]

[Text] Marj al-Zohour, Lebanon, December 21 (XINHUA)—Trapped in a no-man's land on a snow-covered hillside, the more than 400 Palestinians expelled by Israel were grappling with cold and hunger in a makeshift camp, uncertain about their future.

The weary and rain-soaked Palestinians, driven there by Israel Thursday and refused entry by Lebanon, have been huddling in 48 tents in the camp set up between Israel's self-proclaimed "security zone" in south Lebanon and the Lebanese Government-controlled territory.

Israel deported the Palestinians in retaliation for the kidnapping and killing of an Israeli policeman last week.

The unprecedented mass deportation drew widespread condemnation from many countries and world organizations, including the United States and the U.N. Security Council, and threatened to derail the Mideast peace process.

The Lebanese Government, in a coordinated effort with the Palestinian leadership to foil the deportation, today ordered its army to return the deportees to the "security zone," carved out by Israel in 1985.

Lebanon's Prime Minister Rafik al-Hariri [name as received] said in an interview published today that his government's rejection "is firm" and that this problem "concerns Israel, not Lebanon."

The Israeli-backed militiamen, meanwhile, moved out of the "security zone" to bar the Palestinians from returning. A militia force of two armored personnel carriers and infantrymen directed its guns at the deportees about one kilometer north of the zone.

Earlier, the militiamen fired warning shots and the Lebanese Army said one deportee was wounded.

In a related development, the Israeli Supreme Court will pass a verdict later today on whether to allow the return of the deportees.

Apparently preparing to stay for a longer time, deportees in the camp were erecting new tents.

Potatoes, persimmons, blankets and water pitchers provided by the International Committee of the Red Cross (ICRC) were piling up outside.

The deportees formed a committee to cope with the harsh conditions facing them.

A committee spokesman, who preferred not to be named, told XINHUA that among the 416 deportees, there are 18 college professors with doctor's degree, 26 lecturers, 10 doctors, 18 engineers and 108 Islamic scholars. Others are college students and workers. All of them men.

He said that life in the camp "is perzm," [as received] and in the first two days, they could only "drink" snow and slept in the open.

Relief supplies were provided later by the ICRC, but food, blankets and clothes were barely enough, the spokesman added.

He demanded the implementation of U.N. Security Council Resolution 799 which condemns the Israeli deportation and calls for an immediate and safe return of the deportees.

He praised the Lebanese Government for "rejecting" the deportees, saying it would deter Israel from expelling more Palestinians.

Israel accused the deportees of supporting the anti-Israeli Hamas Group and the Jihad (holy war) organization in the occupied territories. Hamas claimed responsibility for abducting and killing the Israeli policeman.

But some deportees interviewed by XINHUA denied the Israeli charge. One doctor, who also refused to be named, said he was arrested on Wednesday while having lunch at home.

"I want to return home as soon as possible," said the man of three children.

But many deportees expressed [word indistinct] that they would be sent to prison once they returned home.

"The Israeli expulsion will not intimidate the Palestinians," said the spokesman. "Instead it will fuel the five-year-old Palestinian uprising against Israeli rule in the occupied lands."

Qian Qichen, PLO's Qaddumi Confer

JN1912205892 Sanaa Voice of Palestine in Arabic 1800
GMT 19 Dec 92

[Text] Brother Abu-al-Lutf [Faruq Qaddumi], foreign minister of the state of Palestine and head of the PLO's Political Department, has conferred with PRC Foreign Affairs Minister Qian Qichen at the Guest House in Beijing. The two officials discussed Middle East political

developments, the Palestinian issue, and the peace process. Abu-al-Lutf noted that the PLO is playing a positive role in pursuit of a comprehensive settlement whereby our people would retrieve their legitimate national rights. He stressed that Israel's intransigence is standing in the way of all initiatives and any ideas that could move the peace process forward. The PRC foreign minister reiterated his country's unwavering support for the just struggle the Palestinians are waging under the PLO leadership. He noted with satisfaction the developing relations between the PRC and the Palestinians.

Bangladesh Commerce Minister on Official Visit

Meets With Qian Qichen

OW2112123092 Beijing XINHUA in English 1139
GMT 21 Dec 92

[Text] Beijing, December 21 (XINHUA)—Qian Qichen, Chinese state councillor and foreign minister, met with M. K. Anwar, Bangladesh minister of commerce, and his party here this afternoon.

This morning, Chinese Minister of Foreign Economic Relations and Trade Li Lanqing held talks with Anwar.

After the talks, Li and Anwar signed a trade agreement between China and Bangladesh on behalf of their respective governments.

Anwar and his party arrived here yesterday as Li's guests. Apart from Beijing, they are scheduled to visit south China's Hainan and Guangdong Provinces.

Signs Agreement With Li Lanqing

OW2112103692 Beijing XINHUA in English 0813
GMT 21 Dec 92

[Text] Beijing, December 21 (XINHUA)—Li Lanqing, Chinese minister of foreign economic relations and trade, held talks with M. K. Anwar, Bangladesh minister of commerce, and his party here this morning.

They briefed each other on the economic situation of their respective countries and exchanged views on the expansion of bilateral economic and trade relations, South-South cooperation and other issues.

C.M. Shafi Sami, Bangladesh ambassador to China, was present at the talks.

After the talks, Li and Anwar signed a trade agreement between China and Bangladesh on behalf of their respective governments.

Anwar and his party arrived here yesterday as Li's guests. Apart from Beijing, they are scheduled to visit south China's Hainan and Guangdong Provinces.

Bank Aids Sino-Pakistan Nuclear Power Project

OW1812142792 Beijing XINHUA in English 1400
GMT 18 Dec 92

[Text] Beijing, December 18 (XINHUA)—The Chinese contractor of the Sino-Pakistan nuclear power cooperative project got a loan in U.S. dollars and renminbi (yuan) from the Bank of China today.

China and Pakistan signed a contract at the end of last year to build Chishma nuclear power station in Pakistan, which has so far been the biggest overseas project contracted by a Chinese company, as well as a significant project of South-South cooperation in the field of high-technology.

To promote the fulfilling of the contract, the Bank of China decided to provide the loan to China Zhongyuan Engineering Company, the Chinese contractor, under China National Nuclear Corporation (CNNC).

The loan will be mainly used to make up the money-shortage for the Chinese contractor in the preliminary construction stage of the project, according to Li Yingxiang, spokesman for CNNC.

Li said that the Sino-Pakistan nuclear power construction contract went into effect in February this year, and in the past 10 months the cooperation has been going on smoothly.

He said that the basic design for the project has been completed, and a report on preliminary safety analysis will be submitted within the year. Plans for equipment-making have been drafted, and the major workshop is to start construction next year.

The spokesman declined to say how much money the contractor will get from the bank.

General manager of CNNC, Jiang Xinxiong, director of the Bank of China, Wang Deyan, and some other representatives attended the loan-contract signing ceremony held in Beijing this evening.

State Councillor Meets Pakistani Visitors

OW2112062292 Beijing XINHUA in English 0555
GMT 21 Dec 92

[Text] Beijing, December 21 (XINHUA)—Chinese State Councillor Wang Bingqian met with visiting auditor-general of Pakistan Mohammad N. Ahsan and his party here this morning.

The two sides exchanged views on furthering the ties between the auditing departments of the two countries.

Ahsan and his party arrived here Sunday as guests of Lu Peijian, auditor-general of the Chinese auditing administration.

Political & Social

Paper Explains Deng's 'Not Feeling Well'

HK1912034592 Hong Kong MING PAO in Chinese 19 Dec 92 p 2

["Special dispatch": "Yeltsin Is Sorry That Revered Deng Is Ill"]

[Text] REUTERS quoted Russian President Yeltsin during his visit to China as saying that the 88-years-old Chinese state leader Deng Xiaoping was (not feeling well) [preceding three words published in English].

According to the findings of this paper's reporter, Deng Xiaoping has not fallen ill of late. It is just that he does not want to meet foreign guests any more. Even his old friend Lee Kuan Yew was no exception. That being the case, the authorities always resort to tactful expressions such as Deng's "not feeling well" in turning down requests by foreign guests for an audience with him.

REUTERS quoted Yeltsin's remark to reporters in Beijing: "It is to be regretted that he is not feeling well at present. I hope that he gets well soon." However, Yeltsin did not say anything further.

Although former Chinese State President [title as published] Deng Xiaoping has resigned from all government and party offices and will no longer meet foreign guests, he is still generally regarded as China's power source.

Deng Xiaoping's latest public appearance took place at the conclusion of the 14th CPC National Congress; at that time, he had difficulty walking, his hands trembled a little, but his face still showed a smile.

Western diplomats believe that like other people of advanced age, when Deng Xiaoping is not feeling well it is most likely that he has been taken ill. Figures in diplomatic circles also hold the view that Deng Xiaoping will probably maintain his clearheadedness, though he might become muddleheaded from time to time while relying more on his family.

The Chinese authorities did not make any comment on Deng's health yesterday. The official XINHUA NEWS AGENCY only said that when Yeltsin met Yang Shangkun, he asked the latter to relay his regards to Deng Xiaoping and said that he had the greatest esteem for Deng Xiaoping and regretted that he could not meet him during the current visit.

Article on Recent Whereabouts of Deng Xiaoping

HK2112075292 Hong Kong WEN WEI PO in Chinese 21 Dec 92 p 30

[Article by Szu Hsuan (1835 2467) from "Szu Hsuan Tien Ti" column: "Scenery of Rivers and Lakes is Enchanting"]

[Text] Russian President Yeltsin visited China to promote friendly and cooperative relations with China. The two countries issued a joint statement stating that "China and Russia regard each other as a friendly country." The visit is of great significance, and has been described as a "new century" of Sino-Russian relations.

There is a vast field for Sino-Russian cooperation. Their role of mutual promotion in the fields of economy, trade, science, technology, aviation, aeronautics, energy, and their cooperation in border trade and visits will advance in a positive direction. What is more gratifying is that the two superpowers of China and Russia are playing a decisive role in the UN Security Council. In particular, they are holding an important responsibility for stabilizing world peace. The signing of the "Sino-Russian Statement" has arrested the attention and concern of various countries in the world.

Watching the expression of Yeltsin and his wife from the news photos released during their visit to China, one believes that they are satisfied with the results of the visit. The only blemish in an otherwise perfect visit was that Deng Xiaoping did not meet with Yeltsin. It was "natural" for Yeltsin to say in a news conference: "I conveyed to him (Deng Xiaoping) my best wishes. But it is a pity that he is not feeling well."

It was Yeltsin's wishful thinking that when he visited China, the supreme leader Deng Xiaoping would meet him. Eventually Deng did not appear, and Yeltsin thought that it was because of his health problem.

Actually, Deng Xiaoping had left his official residence in Beijing and gone by train to the south. This time, he neither went to the southern gate nor Shanghai in the east, but went vacationing in the Jiangnan region, where the "winter scenery of lakes and rivers" is enchanting.

At present, Deng Xiaoping claims to be a common person. The unnecessary and overelaborate formalities of meeting foreign guests are, of course, no longer taken by the 88-year-old man. However, the strategy and final decisions on major issues of principle are, of course, still in the hands of the old man. He is busy all the year round. Going to the south at the end of the year to be away from the cold weather is of constructive significance to the old man.

It is another rumor that the revered Mr Deng is not feeling well.

Reportedly 'On Vacation' in China

HK2112055692 Hong Kong AFP in English 0358 GMT 21 Dec 92

[Text] Hong Kong, Dec 21 (AFP)—Chinese senior leader Deng Xiaoping is currently on vacation south of the Yangtze River, despite a claim by Russian President Boris Yeltsin that he was ill, a pro-Beijing daily said Monday [21 December].

The WEN WEI PO said Deng had left his official residence in Beijing and gone by train to the Jiangnan region before Yeltsin's arrival last Thursday for a three-day visit.

The paper said Deng, 88, who was last seen in public on October 19 when he congratulated newly elected Communist Party leaders, was touring "lakes and rivers" in Jiangnan which had a "constructive meaning" for him. WEN WEI PO did not say exactly where Deng was, but observers believed it was somewhere in Hubei Province.

The paper, brushing off Deng's reported failing health as "just another rumour," said it was "the only blemish in an otherwise perfect visit" that Yeltsin had not been able to meet Deng. "It was natural" for Yeltsin to tell reporters that Deng was feeling unwell, it said.

The Chinese Foreign Ministry spokesman had denied Yeltsin's claim on Saturday. The frail-looking Deng visited southern China's Shenzhen and Zhuhai special economic zones in early February this year and also Shanghai later.

Culture Minister Reportedly on 'Sick Leave'

HK2112073892 Hong Kong AFP in English 0712 GMT 21 Dec 92

[Text] Beijing, Dec 21 (AFP)—The Chinese Government has put its hardline culture minister, He Jingzhi, on "sick leave" and replaced him with a younger propaganda official, a ministry spokesman said Monday [21 December].

He, 68, has been on "sick leave" for the past "two to three months" somewhere outside Beijing, propaganda officer Huang Helang said. Liu Zhongde, 59, began serving as acting culture minister in early November although the government did not formally announce the change, Huang said.

"We are waiting for the State Council to issue a document," the official said, adding that Liu worked at an office in the ministry.

The dismissal of He had been expected after he failed to win re-election to the Central Committee during October's 14th Communist Party congress, for which Liu served as official spokesman.

The new acting culture minister is an engineer by training and is believed to be less of an ideologue than his predecessor. It was not known if he will become the formal minister or if he is holding the post in the interim before another candidate is found. Liu has kept his job as deputy head of the Communist Party Propaganda Department and also serves as secretary of the Culture Ministry's Communist Party Committee, according to official newspapers.

After his appointment as acting minister in 1989, He, a well-known Maoist poet and playwright, presided over a three-year period of severe censorship and curtailed

artistic freedom. Artistic restrictions have loosened somewhat since the summer, with the release of previously banned films by director Zhang Yimou and the staging of several avant-garde plays.

He Jingzhi was appointed acting culture minister in 1989 to replace Wang Meng, a liberal author who fell from grace after showing too much sympathy for the Tiananmen Square pro-democracy protestors. Even Wang has now been allowed to publish some of his opinions.

In an article in Guangzhou's Yangcheng Evening News on December 7, the former minister said the so-called "black hands" behind the 1989 movement posed less of a danger to China's socialist system than "leftist elders" who call themselves communists but lead a decadent lifestyle.

He Jingzhi fell out of favor after failing to endorse senior leader Deng Xiaoping's call for faster reforms early this year. He is an old-style communist who served with Mao Zedong at Yanan, the communist base in Shaanxi Province, in the revolutionary struggle against the Kuomintang in the 1930s and 1940s.

The playwright is best known for his opera, "The White-Haired Girl," an account of the class struggle put up by a slave girl who escapes from an abusive landlord's house and has her grievances avenged by communist liberators.

During his tenure as acting culture minister, He stressed adherence to the "Yanan spirit," a call Mao made to artists in 1942 to serve the masses and renounce art for art's sake.

Paper Details Leadership Reshuffle Trends

HK1812150692 Hong Kong HSIN PAO in Chinese 18 Dec 92 p 27

[Article by Jen Hui-wen (0117 1979 2429) from the "Beijing's Political Situation" column: "New Trends of Party, Government, and Army Leadership Reshuffles"]

[Excerpt] [Passage omitted] Deng Is Concerned With "One Office and Two Departments"

Sources have indicated that Deng Xiaoping is very concerned with the reshuffle going on in various central departments, commissions, and offices. He once instructed: "It is necessary to reinforce one central office and two central departments (which refers to the General Office, Propaganda Department, and Organization Department of the CPC Central Committee). In my view, someone from the CPC Central Committee Political Bureau should preside over this work." The above-mentioned reshuffle of the CPC Central Committee General Office was conducted exactly in accordance with this instruction of Deng Xiaoping and was "presided over" by Wen Jiabao, an alternate member of the CPC Central Committee Political Bureau. As soon as he learned of this, Deng Xiaoping said: "The CPC Central

Committee General Office has done a very good job in the reshuffle." This shows that Deng hopes that the CPC Central Committee Propaganda Department and Organization Department will learn from the CPC Central Committee General Office in conducting their own reshuffles and that some of the CPC Central Committee Political Bureau members or alternate members will personally "preside over" the reshuffles. It is quite natural that Deng Xiaoping has been very concerned with the reshuffle of the CPC Central Committee Propaganda Department and Organization Department. Soon after his south China tour and before the 14th CPC National Congress, Deng Xiaoping had already made two important decisions with regard to the CPC hierarchy reshuffle: One was to break a rule to promote Zhu Rongji, Hu Jintao, and Liu Huaqing to the CPC Central Committee Political Bureau Standing Committee; the other was to remove from office four men who were then in charge of the CPC Central Committee Organization Department and Propaganda Department (the four men were: Song Ping, CPC Central Committee Political Bureau Standing Committee member with special responsibilities for the overall CPC personnel and organization work; Wang Renzhi, CPC Central Committee Propaganda Department director; Acting Minister of Culture He Jingzhi; and RENMIN RIBAO Director Gao Di). Deng deemed that the four men had already obstructed reform and opening up to a serious extent. Should they be allowed to remain in power, reform and opening up would be deprived of vast vistas. For example, Wang Renzhi once asked Deng Liqun to send his men to Shanghai to investigate the background of three articles written under the pen name of HUANGFU PING (HUANGFUJIANG PINGLUN) [HUANGFUJIANG COMMENTARY] and published in JIEFANG RIBAO. The three articles strongly advocated reform and opening up. Deng Liqun's men then returned to Beijing and wrote articles criticizing the three HUANGFU PING articles. That angered Deng Xiaoping, who was in fact the behind-the-scenes backer of HUANGFU PING. This explains why Deng Xiaoping is now very concerned with the reshuffle going on in these two central departments.

Even before the 14th CPC National Congress, the CPC hierarchy had already discussed the issue of reshuffling the CPC Central Committee Propaganda Department and planned to replace Wang Renzhi with Zheng Bijian, one of the co-conveners of the 14th CPC National Congress Report Drafting Group, former secretary to the late Hu Yaobang, and vice president of the Chinese Academy of Social Sciences. After the 14th CPC National Congress, however, the CPC hierarchy received many complaints. The complainants supported the decision to remove Wang Renzhi from office as the CPC Central Committee Propaganda Department director, but opposed the decision to replace Wang Renzhi with Zheng Bijian. Some of them even accused Zheng Bijian as being an "ultra-Leftist," saying that Zheng Bijian was not the right person for propaganda work. Thus the CPC hierarchy, which had also received Deng Xiaoping's

instruction on "reinforcing one central office and two central departments," finally decided to appoint Ding Guangen as director and leading party group secretary of the CPC Central Committee Propaganda Department. Ding is a member of the CPC Central Committee Political Bureau and has just recently been entrusted with the portfolio of ideological work. In the meantime, Zheng Bijian was appointed executive deputy director of the CPC Central Committee Propaganda Department. These two decisions were announced by Qiao Shi, CPC Central Committee Political Bureau Standing Committee member, at a meeting held by the leading party group of the CPC Central Committee Propaganda Department on 30 November. As he had worked in the State Ministry of Railways, the NPC Standing Committee, and the CPC Central Committee United Front Work Department, Ding Guangen has excellent relations with all the parties concerned and has never been in trouble with any ideological work department. As a result, Ding's appointment was acceptable to everyone. Nevertheless, it is believed that Ding Guangen will mainly play a role of ensuring coordination and balance, while Zheng Bijian will be in charge of specific and routine propaganda work.

Wang Renzhi, former director of the CPC Central Committee Propaganda Department, was transferred and appointed secretary of the leading party group of the Chinese Academy of Social Sciences. Wang, however, did not report for duty on 30 November, the day his appointment came into effect. The academy authorities said that Wang had "taken sick leave."

Nonetheless, some sources have said that Wang Renzhi had already submitted his resignation and applied for early retirement after learning that approximately 18 party committee and academic council members of the Chinese Academy of Social Sciences wrote a letter to Jiang Zemin and Li Peng, expressing their opposition to Wang Renzhi's appointment as the academy's leading party group secretary. They dismissed Wang's appointment as unacceptable and expressed the hope that the CPC Central Committee and the State Council would attach greater importance to the academy's ongoing leadership reshuffle.

The Political Bureau Has Made Two Decisions

With regard to the reshuffle of the CPC Central Committee Organization Department, at a meeting called by the leading party group of the CPC Central Committee Organization Department on 3 December, Qiao Shi announced that Wei Jianxing, CPC Central Committee Political Bureau member, has been appointed secretary of the leading party group of the CPC Central Committee Organization Department, and Lu Feng has been appointed as his deputy.

The sources said that the military reshuffle had been basically completed by the end of November, with the result that all the new military leading organs have pledged to resolutely obey the orders of both the CPC

Central Committee and the CPC Central Military Commission with Jiang Zemin as the core.

The latest development which merits attention is: Some of the commanding officers of the General Political Department, the General Logistics Department, the Beijing Military Region, the Chengdu Military Region, and the Guangzhou Military Region, who had close ties with the Yang brothers, have already been given new appointments. It seems that none of them have been demoted so far, and some have even received promotions. For example, Zhang Gong, political commissar of the Beijing Military Region, has been transferred and appointed political commissar of the Chengdu Military Region; Gu Shanqing, political commissar of the Chengdu Military Region, has been transferred and appointed political commissar of the Beijing Military Region; Yu Yongbo, deputy director of the General Political Department, has been promoted director; Yang Guoliang, deputy commander of the Second Artillery Corps, has been promoted commander; and so on.

There have been numerous rumors about Yang Baibing. As a matter of fact, Deng Xiaoping never had any intention of purging Yang Baibing. At a special meeting of the Political Bureau Standing Committee convened in Xishan in early October, Deng Xiaoping said: "After considering the overall situation, I think that Comrade Yang Baibing had better leave the Central Military Commission and participate in the work of the Political Bureau. As for his specific duties there, the Standing Committee can solicit his own views first and then study them." At the meeting, Yang Shangkun said: "I fully agree with Comrade Xiaoping's proposal and the central authorities' decision."

In order to strengthen the party's leadership over the Armed Forces and give more scope to the role played by the veteran generals, the CPC Central Committee Political Bureau has recently made the following two decisions:

1. All the provincial, autonomous regional, and municipal CPC committee secretaries who are members of the CPC Central Committee Political Bureau should be given the concurrent post of first political commissar of the military region concerned. For example, Chen Xitong, secretary of the Beijing Municipal CPC Committee, should be given the concurrent post of first political commissar of the Beijing Military Region; Xie Fei, secretary of the Guangdong Provincial CPC Committee, should be given the concurrent post of first political commissar of the Guangzhou Military Region; Jiang Chunyun, secretary of the Shandong Provincial CPC Committee, should be given the concurrent post of first political commissar of the Jinan Military Region; and so on;

2. To especially appoint eight veteran generals to assist the work of the Central Military Commission. They include: Yang Dezhi (former chief of the General Staff), Xiao Ke (former vice minister of defense), Hong Xuezhong (former deputy secretary general of the Central Military

Commission and former director of the General Logistics Department), Yu Qiuli (former deputy secretary general of the Central Military Commission and former director of the General Political Department), Liao Hansheng (former vice minister of defense), Li Desheng (former director of the General Political Department), Zhang Aiping (former minister of defense), and Ye Fei (former commander of the Fuzhou Military Region).

[Dated] Beijing, 16 December 1992

Journalist Zhang Weiguo Allowed To Go Abroad

HK2112012792 Hong Kong MING PAO in Chinese 10 Dec 92 p 58

[Unattributed "Special Dispatch": "Stripped of the Label of 'Being Released on Bail To Await Trial,' Zhang Weiguo Has Eventually Been Allowed To Go Abroad"]

[Text] According to news from Shanghai: Zhang Weiguo, a journalist who dared to speak out and director of the Beijing office of the former Shanghai SHIJIE JINGJI DAobao [WORLD ECONOMIC HERALD], has been allowed to go abroad. He was informed by the Shanghai Public Security Bureau the day before yesterday that his label of "being released on bail to await trial" would be stripped off within the week and that he would be able to get a passport later this month to go abroad. Zhang plans to visit the United States before or after the Spring Festival next year, and work as a visiting scholar at Berkeley University.

Moreover, "China's Human Rights," an international nonpolitical organization which advocates human rights as its aim, held a meeting in New York on Sunday, at which Zhang Weiguo was elected a council member from the Chinese mainland. Liu Qing, who had earlier gone to the United States, was elected chairman of the executive committee.

Zhang Weiguo said: Human rights and rule by law are inseparable from reform and opening up, and China is also increasingly willing to discuss the human rights issue. "This is a good trend." The "China's Human Rights" organization claims that it conducts legitimate, open, and nonpolitical activities within the scope of the law, and therefore he promised to join it.

Family of 'Activist' Leading 'Miserable Life'

HK2112033192 Hong Kong MING PAO in Chinese 9 Dec 92 p 7

[Unattributed "Special Dispatch": "Ren Wanding's Wife and Daughter Live in Misery"]

[Text] A source in Beijing said: The imprisoned democracy activist Ren Wanding's wife Zhang Fengying and little daughter, who were taken away by public security personnel when presenting a petition outside the Beijing Public Security Bureau last month, now "live under

supervision" in a single-story house in Tong County in the suburbs of Beijing. They live a miserable life.

Taking her little daughter and luggage, Zhang petitioned outside the Beijing Public Security Bureau in the middle of last month, calling on the authorities to arrange a place for them to live and to improve the treatment accorded to Ren Wanding in prison. As the residence of Ren and his family was taken back by the unit where Ren formerly worked, Zhang could only stay at a friend's house without a permanent dwelling place.

Ren was sentenced to seven years' imprisonment for taking part in the democracy movement in 1989. His health has been poor and he has suffered from serious cataracts in prison. The impact his 15-year-old daughter sustained spiritually has also affected her health.

The source told this reporter that Zhang and her daughter were taken away by public security personnel on the day they presented a petition. At first they were taken to Daxing County in the suburbs of Beijing, but they were later transferred to a single-story house in Tong County in the eastern suburbs, where they "lived under supervision." A friend said that Zhang was in a poor frame of mind and lived a miserable life.

Deng Remarks on Liberating Productive Forces

HK1812140092 Beijing RENMIN LUNTAN in Chinese
Nos 1-2, 5 Jun 92 pp 12-15

["Special Pages on Theoretical Study" by the Editorial Department: "Revolution is Aimed at Liberating the Productive Forces; Reform is Also Aimed at Liberating the Productive Forces—Comrade Deng Xiaoping's Expositions Regarding Liberating and Developing the Productive Forces"]

[Text] I. The Fundamental Task of Socialism Is To Liberate and Develop the Productive Forces

What is socialism and what is Marxism? In the past, we did not have a completely rational understanding of this question. Marxism pays the most attention to developing the productive forces. Now we talk about communism, but what is the meaning of this term? It means that everyone does the best he can and that distribution is made according to need. This requires highly developed social productive forces and an extreme abundance of social material wealth. Therefore, the most fundamental task at the socialist stage is to develop the productive forces. The superiority of socialism is embodied in its higher and quicker development of the productive forces as compared with capitalism. If we say we suffered shortcomings after founding the PRC, then they lay in our neglect in developing the productive forces. Socialism must eliminate poverty. Poverty is not socialism, still less communism. The superiority of socialism is to gradually develop the productive forces and gradually improve the people's standard of living

materially and culturally. Given China's present backward status, the question of how to develop the productive forces and how to improve the people's standard of living is put before us. In this way, we have returned to the question of whether we should uphold socialism or take the capitalist road. If we take the capitalist road, we can enable less than 10 percent of the people to become rich, but we will never be able to resolve the wealth problem for the remaining 90 percent or more. Therefore, we must uphold socialism. According to the socialist principle of distribution according to labor, the gap between the rich and the poor will not be too wide. In this way, when our productive forces have developed in the next 20 to 30 years, polarization will not follow. (Revised and enlarged edition of *Building Socialism With Chinese Characteristics*, People's Publishing House, pp 52-53)

For years, we have suffered a great deal: At a time when socialist transformation had basically ended, we still continued to "take class struggle as the key link" and neglected the development of the productive forces. We even went to extremes during the "Great Cultural Revolution." Nevertheless, since the Third Plenary Session of the 11th CPC Central Committee, the entire CPC has shifted its work focus to the socialist modernization drive and has, on the basis of upholding the four cardinal principles, been concentrating its strength on developing the social productive forces. This is the most fundamental way to bring order out of chaos. ("Speech Given at the CPC National Congress" (23 September 1985), *Building Socialism With Chinese Characteristics*, revised and enlarged edition, pp 120-121)

Socialism has many tasks, but the fundamental one is to develop the productive forces and create a material foundation for communism. It must embody its superiority over capitalism on the basis of developing productive forces and ultimately seeks to achieve communism. For a long period of time, we have neglected the development of the socialist productive forces. ("Reform Is the Only Way for China To Develop Its Productive Forces" (28 August 1985), *Building Socialism With Chinese Characteristics*, revised and enlarged edition, p 116)

The basic principles of Marxism maintain that it is necessary to develop the productive forces. The goal of Marxism is to achieve communism, and communism is founded on the basis of highly developed productive forces. According to Marxism, socialism is the first stage of communism and is a very long historical stage. The most important task of socialism is to develop the productive forces and gradually improve the people's standard of living materially and culturally.

Since the Third Plenary Session of the 11th CPC Central Committee, we have explored the question of how China should practice socialism. In the final analysis, China must develop the productive forces and gradually develop its economy. ("Develop Democracy Politically and Implement Reform Economically" (15 April 1985),

Building Socialism With Chinese Characteristics, revised and enlarged edition, pp 183-184)

We have struggled for several decades, because we want to eliminate poverty. In the first step, we will achieve a comfortable level of prosperity, that is, we will be neither poor nor rich and will lead a comparatively comfortable life. In the second step, we will spend another 30 to 50 years so that we will approach the developed countries economically and the people will be comparatively well-off. This is an overall arrangement. We must strive for a peaceful international environment and remove all interferences at home. What we do is only meant to create the appropriate conditions for everyone. If interference comes, we will remove it. If we find anything fettering anyone, we will help them come up with ways to release themselves. The work is still left to everyone. I hope everyone can free their hands and feet, boost the economy, and vigorously develop the productive forces. (*Selected Important Documents Since the 12th CPC National Congress*, Volume Two, 1986 edition, People's Publishing House, p 657) The goal of Marxism is to achieve communism. By communism, Marx referred to a society based on the principle "from each according to his ability, to each according to his needs." What does it mean to distribute to each according to his needs? Without the exceedingly vigorous development of the productive forces or the excessive abundance of material products, how is distribution according to needs possible? The communism embodied in Marxism is based on a society with a great abundance of material goods. The first stage of communism is socialism. Socialism responds to the need to develop the productive forces. This will be a very long historical stage. Only when the productive forces are continuously developed can communism be achieved at last. (*Comrade Deng Xiaoping's Important Remarks*, 1987 edition, People's Publishing House, p 27)

The essence of socialism is to liberate and develop the productive forces, eliminate exploitation and polarization, and ultimately achieve common prosperity. (Deng Xiaoping's Important Remarks During His Southern Tour, quoted from the article "When the East Wind Comes, Spring is in the Eyes," 26 March 1992 edition of SHENZHEN TEQU BAO [Shenzhen Special Economic Zone Paper])

II. Reform Is the Only Way for China To Liberate and Develop the Productive Forces

The Third Plenary Session of the 11th CPC Central Committee confirmed that we should first implement reform in the rural areas. Rural policy has already had effect, and the peasants are improving. The people are very happy. They are indeed so. We are going to call the Third Plenary Session of the 12th CPC Central Committee soon. That will be another Third Plenary Session. The main theme of the Third Plenary Session is reform of all urban areas, which covers a wide scope embracing industry, commerce, science and technology, education, and culture. We must develop a new situation. I believe

that the importance of the session will be demonstrated in future history. Our reform is now shifting from rural areas to cities and represents a comprehensive reform. Reform is very pressing. If the cities do not implement reform and if the work of the cities cannot meet the development needs of the rural areas—which account for 80 percent of the total population—it will hinder the continuous progress of rural work. Judging from rural reform, city reform is not only necessary but has a reasonable chance of success. This can guarantee that China will achieve the goal of quadrupling the annual gross industrial and agricultural output value by the end of this century. We are doing this now. (*Selected Documents on the United Front During the New Period*, 1985 edition, Publishing House for the Central Party School of the CPC Central Committee, pp 419-420)

The question of reform was already raised at the Third Plenary Session of the 11th CPC Central Committee. People once held different opinions on whether reform should begin in the rural areas. With the passing of three years, we have resolved many new problems occurring in the course of practice and have obtained success, so we have a relatively unanimous understanding on this issue. Of course, new problems that need to be resolved crop up continuously. Since the Third Plenary Session of the 12th CPC Central Committee, the focus of reform has been shifted to the cities. On the basis of many years of preparations and the success of rural reform, the overall reform of the economic system has gradually been launched. Reform has promoted the development of productive forces and has brought about a series of profound changes in economic life, social life, work style, and spiritual condition. Reform is the self-perfection of the socialist system and, within a given scope, a certain degree of revolutionary changes have also occurred in it. This is a major event and shows that we have already found the way to build socialism with Chinese characteristics.

In reform, we uphold two fundamental principles at all times: The first is that socialist public-owned economy occupies the main body. The second is common prosperity. Utilizing foreign capital in a planned way and developing part of the individual economy serve the general demand of developing the socialist economy. Encouraging some regions and some people to get rich first is precisely aimed at making more and more people rich, thus achieving the goal of common prosperity. Generally speaking, except for a few exceptions, the living standards of people throughout the country have improved to varying degrees. (*Building Socialism With Chinese Characteristics*, revised and enlarged edition, People's Publishing House, p 121)

Socialism has many tasks, but the fundamental one is to develop productive forces and create a material foundation for communism....

We have brought order from chaos because we need to develop the productive forces on the basis of upholding the four cardinal principles. In order to develop the productive forces, it is necessary to reform our economic system and

pursue the policy of opening to the outside world. We are absorbing the capital and technology of capitalist countries in order to develop the socialist productive forces. We have gradually been implementing reform since the Third Plenary Session of the 11th CPC Central Committee. Reform first began in the rural areas and has already had effect. There has been an obvious change in the appearance of rural areas. Having had the experience of rural reform, we are now turning to urban economic reform. Urban economic reform is comprehensive reform and has continued for one year since it began in the second half of last year. Urban economic reform is much more complicated than rural economic reform, so it is inevitable that we make mistakes and run risks. We are aware of this. However, in order to develop the productive forces, we must reform the economic system. We have full confidence. (*Building Socialism With Chinese Characteristics*, revised and enlarged edition, People's Publishing House, pp 116-117)

III. Uphold the Party's Basic Line Unswervingly for 100 Years

In order to uphold the line, principles, and policies formulated since the Third Plenary Session of the 11th CPC Central Committee, it is essential that we uphold the "one center, two basic points." We will only end up without any hope at all if we do not uphold socialism, pursue reform and opening up, develop the economy, or improve the people's standard of living. The basic line must be upheld for 100 years unswervingly. (Deng Xiaoping's Important Remarks During His Southern Tour, quoted from the article "When the East Wind Comes, Spring is in the Eyes," 26 March 1992 edition of SHENZHEN TEQU BAO)

Generally speaking, we have four things that will remain unchanged: Uphold the four cardinal principles without change; wholeheartedly carry out the four modernizations without change; pursue the two policies of opening up without change; and implement the principle of economic system reform and political system reform without change. Our reform and opening up will continue. (*Comrade Deng Xiaoping's Important Remarks*, 1987 edition, People's Publishing House, p 10)

In the period immediately after the "Gang of Four" was crushed, "leftist" mistakes were not totally corrected. From 1977 to 1978, China was still hesitating at the crossroads. It was not until late 1978 that the Third Plenary Session of the 11th CPC Central Committee very seriously and conscientiously summed up the experiences of the 30 years after the PRC was founded. On this basis, we advanced a series of policies, which we are now pursuing and which are mainly reform and opening up. Opening up embraces opening up at home and to the outside world. We advanced our fundamental line, that is, we shifted the work focus to construction without any interference and wholeheartedly, firmly, and unswervingly practiced socialist modernization. In order to achieve the four modernizations and do well in reform and opening up, we need a stable and united political

situation at home and a peaceful international environment. In light of this, we advanced our foreign policy, which is, conclusively speaking, opposing hegemonism and safeguarding world peace. (*Comrade Deng Xiaoping's Important Remarks*, 1987 edition, People's Publishing House, pp 27-28)

The policy of invigorating the home economy and opening the economy to the outside world is not a short-term but a long-term policy. It must remain unchanged for at least 50 to 70 years. Why? Because our first step is to quadruple the GNP, a process which will take 20 years. We must then take the second step, which will take 30 to 50 years, I am afraid, to approach the level of the developed countries. The two steps together will take approximately 50 to 70 years. At that time, there will be less probability of change. Even if there is a change, it can only be a change for being more open. Otherwise, our own people will not agree. (*Building Socialism With Chinese Characteristics*, revised and enlarged edition, People's Publishing House, pp 67-68/)

Since the Third Plenary Session of the 11th CPC Central Committee, the entire CPC has shifted its work focus to socialist modernization and has been concentrating its strength on developing the productive forces on the basis of upholding the four cardinal principles. This is the most fundamental way of bringing order from chaos. If we had not thoroughly corrected the "leftist" mistakes and resolutely shifted the work focus, we would not be in the good situation we have today. Similarly, without conscientiously upholding the four cardinal principles, it would have been impossible to maintain stability and unity, and we would have changed correcting "leftism" to "correcting" socialism and Marxism-Leninism and would not be in today's good situation. (*Building Socialism With Chinese Characteristics*, revised and enlarged edition, People's Publishing House, pp 120-121)

The major contradictions at the present time are precisely the major problems or central tasks that the entire CPC and people across the country must resolve in the present period. Since the Third Plenary Session of the CPC Central Committee decided to shift the work focus to the socialist modernization drive, they have, in fact, already been resolved. The development level of our productive forces is very low and is far from meeting the needs of the people and the state. This is precisely our major contradiction in the present period, and our central task is to resolve this major contradiction. (*Selected Works of Deng Xiaoping*, (1975-1982), 1983 edition, People's Publishing House, p 168)

IV. Improvements in Science and Technology Determine the Level and Speed of the Development of the Productive Forces

The most important of the four modernizations is the modernization of science and technology. Without modern science and technology, it is impossible to build modern agriculture, modern industry, and modern national defense. Without the speedy development of

science and technology, it is impossible to secure the speedy development of the national economy. (*Selected Works of Deng Xiaoping*, (1975-1982), 1983 edition, People's Publishing House, p 83)

Modern science and technology are experiencing a great revolution. Over the past 30 years, science and technology have not only developed in the areas of individual scientific theories and individual production technology. Nor have they simply experienced progress and changes in the general sense. Profound changes have occurred in almost all scientific and technological areas. New great advances have been made, producing and continuing to produce a series of new branches of science and technology. Modern science paves the way for the progress of production technology and determines the direction for its development. Many new production tools and new techniques are first created in scientific laboratories. A series of newly developing industries—such as the polymer synthetic industry, the atomic energy industry, the electronic computer industry, the semiconductor industry, the aerospace industry, and the laser industry—have all been founded on the newly developing sciences. Of course, whether today or in the future, there will still be a many theoretical research projects, and people will not see their practical applications for the time being. However, large numbers of historical facts already show that, once a great breakthrough has been made in theoretical research, it will bring incredible progress to production and technology sooner or later. The natural science of our times is being applied to production at an unprecedented scale and speed, changing the faces of all areas of social material production. The development of electronic computer, cybernetic, and automation technology, in particular, is speedily increasing the degree of production automation. Given the same work force and the same working hours, they can produce 10 times or even 100 times as many products as they used to. What do we depend on for such a huge development of the social productive forces and for such a great improvement in labor productivity? We depend mostly on the strength of science and technology. (*Selected Works of Deng Xiaoping*, (1975-1982), 1983 edition, People's Publishing House, pp 83-84)

While vigorously developing science and technology, we must vigorously develop education as well. This development must begin with primary education and extend to secondary education and tertiary education. I hope that, starting today, we can see little achievements in five years, fairly good achievements in 10 years, and great achievements in 15 to 20 years. In developing education, we must walk with two legs, namely, we must pay attention to both the popularization of education and the raising of standards. We must run key primary schools, key secondary schools, and key universities. We must concentrate the best people in key secondary schools and key universities through rigorous examinations. (*Selected Works of Deng Xiaoping*, (1975-1982), 1983 edition, People's Publishing House, p 37)

V. Continuously Improve the People's Standard of Living Materially and Culturally

The socialist economy is based on public ownership, and production is aimed at meeting the material and cultural needs of the people to the greatest extent; it does not seek to exploit. ("Upholding the Four Cardinal Principles" (30 March 1979), *Selected Works of Deng Xiaoping*, (1975-1982), p 153)

In rural and urban areas, we should allow some people to get rich first. It is appropriate for one to get rich through hard work. The idea that some people get rich first and some regions get rich first is good. Everyone supports it. In short, in judging whether our various jobs are done correctly or incorrectly, we should use the criterion of whether they help build socialism with Chinese characteristics, whether they help the boom and prosperity of the country, and whether they help people get rich and lead happy lives. ("All Jobs Must Be of Help to Building Socialism With Chinese Characteristics" (12 January 1983), *Building Socialism With Chinese Characteristics*, revised and enlarged edition, p 12)

We have determined a political goal: Develop the economy so that it can quadruple by the end of this century, the per-capita GNP can reach \$800, and the people can lead a relatively comfortable life. ("The Grand Objective and Fundamental Policy of Realizing the Four Modernizations" (6 October 1984), *Building Socialism With Chinese Characteristics*, revised and enlarged edition, p 65)

China is a socialist country. The superiority of the socialist system is fundamentally embodied by its ability to let the social productive forces to speedily develop at a speed unrivaled by the former society, with the result that the needs in the people's ever-increasing material and cultural life can be met gradually. According to the viewpoint of historical materialism, the results of correct political leadership are, in the final analysis, reflected in the development of the social productive forces and the improvement of the people's material and cultural lives. If, for a fairly long time, the rate of development of the productive forces of the socialist country is slower than that of the capitalist country, what superiority does it have? We must develop productive forces at an accelerated speed in light of the current favorable conditions in order to make the people's material standard of living and their cultural life and mental outlook a little better. ("Hold High the Banner of Mao Zedong Thought; Uphold the Principle of Seeking Truth From Facts" (16 March 1978), *Selected Works of Deng Xiaoping*, (1975-1982), p 123)

We, the mainland, stick to socialism and do not take the evil way of capitalism. The characteristics of socialism are to create wealth which is turned over firstly to the state and secondly to the people, and no new bourgeoisie will emerge. By the end of the century when the per-capita GNP reaches \$800, the state will take part of it. It does so for the sake of the people and will spend the money on education, science, and technology, and

national defense. It will spend the larger part improving the people's living standards and improving their educational level. Socialism is different from capitalism in that the former stresses common prosperity and does not result in polarization. (*Building Socialism With Chinese Characteristics*, revised and enlarged edition, People's Publishing House, p 109)

We must give full play to the superiority of the socialist system. Now and for some time in the future, we should mainly make efforts to meet the following three demands: 1) Economically, speedily develop the social productive forces and gradually improve the people's material and cultural lives. 2) Politically, fully promote the people's democracy; ensure that the entire people really enjoy the right to administer the country through various effective forms, especially the right to administer basic-level governments and various enterprise undertakings; ensure that they enjoy various civil rights; improve the revolutionary legal system and correctly handle the people's internal contradictions; deal blows to all antagonistic forces and criminal activities; bring into play the initiative of the masses; and consolidate and develop a stable, united, and lively political situation. 3) In order to meet the above two demands, organizationally speaking, we badly need to train, discover, promote, and appoint large numbers of socialist modernization personnel who uphold the four cardinal principles, who are comparatively young, and who possess professional knowledge. (*Building Socialism With Chinese Characteristics*, 1987 revised and enlarged edition, People's Publishing House, pp 103-104)

Jiang Zemin's Inspection of Xiamen Reported

HK2112061092 Beijing RENMIN LUNTAN in Chinese No 4, 5 Aug 92 pp 28-31

["Special Article" by Li Ling (2621 3761): "General Secretary Jiang Zemin in Xiamen Special Economic Zone"]

[Text] On 18 December 1991, the sky was clear with a mild breeze wafting along the East China Sea coast, and waves rippled like glistening blue satin under the bright sunshine.

Xiamen was in rich multicolored festive decorations in ceremonious celebration of the 10th anniversary of the Xiamen Special Economic Zone's [SEZ] founding. Central Committee General Secretary Jiang Zemin attended the mass meeting marking the occasion, delivered an important speech, and on 19 December inspected the SEZ. In his speech, General Secretary Jiang stressed that the SEZ had scored outstanding successes in construction, and that opening up to the world was a long-term basic policy. A month later, Comrade Deng Xiaoping made an inspection tour of Shenzhen and Zhuhai, made important remarks, and set forth that the adherence to the party's basic line of "one center, two basic points" should not be moved for a century, and one should be bolder in reform and opening up with a quickened-up

pace. Comrade Deng Xiaoping's remarks and General Secretary Jiang's speech have aroused another spring tide of reform and opening throughout China, heralding another seething spring of building socialism with Chinese characteristics.

Xiamen is also called Ludao [7752 1497 "Island of Herons"] and is a trading port with a long history, as well as a scenic coastal city for tourists; it became an SEZ with State Council approval on 18 December 1981.

General Secretary Jiang Zemin appeared on the rostrum with a smile amid the warm applause of 40,000 participants at 1610 on 18 December 1991, and delivered an important speech in which he highly evaluated and praised Xiamen SEZ's construction. He stated: "In the 10 years since its founding, the Xiamen SEZ has scored eye-catching accomplishments in various arenas in economic and social development through the arduous efforts of its cadres and masses. When we were in Xiamen 10 years ago, the urban area was quite small, with few factories, and its economy was very backward. Today we see that tremendous changes have taken place in this ancient city's features. Through opening up to the world, absorbing investment of foreign as well as Hong Kong, Macao and Taiwan businessmen, importing advanced technologies and experiences in scientific management, some 1,000 new enterprises have sprung up, and skyscrapers mushroomed, commerce and trade thrived, with an export-oriented economic pattern initially taking shape, characterized by taking industry as the key, linking industry to trade, and the comprehensive development of various trades, which has played an important role in bringing along southern Fujian and accelerating economic development, and made positive contributions to pushing forward cross-strait economic ties and promoting the cause of the motherland's reunification."

The general secretary's full affirmation of the Xiamen SEZ's accomplishments stirred up Xiamen people's pride, which found expression in a storm of applause.

China Has Opened Another Showcase

General Secretary Jiang Zemin delivered his important speech in the wake of hearing the reports of Xiamen CPC Committee Secretary Shi Zhaobin, and its deputy secretary, Mayor Zou Erjun, on Xiamen SEZ's 10-year construction. With emphasis, he said: "Actively developing economic and technological ties and cooperation with all countries and regions on the basis of adhering to opening up to the world and self-reliance is China's long-term basic policy, as well as an important condition for China to conduct socialist modernization. The five SEZ's—Shenzhen, Zhuhai, Shantou, Xiamen and Hainan—which are at the forefront of China's opening up, have played an increasingly greater role as a showcase and base in the course of China developing foreign trade and enlarging economic and technological exchanges. The practice of SEZ construction with outstanding successes has fully evidenced that the basic line of taking economic

construction as the center, adhering to the four cardinal principles and reform and opening up, which has taken shape since the Third Plenary Session of the 11th Central Committee is entirely correct; the decision on running SEZ's, further opening up coastal areas, as Comrade Deng Xiaoping initiated, is correct and successful."

The CPC Central Committee general secretary's resolute and decisive remarks deeply impressed some 2,000 celebrities from various social circles of Hong Kong, Macao, and Taiwan compatriots and overseas Chinese; they were excited, felt secure and were firmer in their belief that China would adhere to the policy of reform and opening up, a policy that would not be moved.

Xiamen is separated from Taiwan by only a strait, their people are close in blood relations, speaking the same dialect with similar custom and habits. It is an important showcase for unfolding cross-strait economic and cultural exchanges. When the SEZ was first initiated, the central committee endowed Xiamen with the authority to develop economic relations and trade with Taiwan in a big way, and absorb capital from Taiwan through multiple channels. Especially in the wake of 1989 when they approved Xiamen SEZ, as well as Xinlin and Haipao, under its jurisdiction to be an investment zone for Taiwan businessmen, Xiamen has become an area where Taiwan businessmen's investment was the most centralized, which played a decisive role in accelerating Xiamen SEZ's construction. Economic exchanges promoted mutual understanding between compatriots on the two shores, and made contributions to pushing the great cause of the motherland's reunification. The first batch of Taiwan compatriots on the brink of tears, who swarmed into Xiamen visiting relatives and their ancestral tombs, and the very touching expressions of the first batch of scholars, reporters, and investors arriving at Xiamen to give lectures and for coverage, who had broken through many difficulties, were all captured in one photograph after another placed in the exhibition hall. General Secretary Jiang was thrilled and pleased viewing them. Celebrities overseas who made a special trip to participate in the celebration could hardly contain their excitement. Before the mass meeting began, General Secretary Jiang, Vice Premier Tian Jiyun, and Wen Jiabao, CPC Central Committee alternate secretary, concurrently Central Committee General Office director, cordially received Huang Ke-li, Huang Kuanghan, Hsu Dong-liang and Tan Hui-chu. The general secretary's smile and his words with a strong Yangzhou dialect accent bathed those patriots overseas with a sense of cordiality and warmth from one's homeland. "Xiamen SEZ should fully utilize advantageous conditions to actively promote mutual understanding and ties between compatriots on the two shores, and enthusiastically welcome Taiwan compatriots to participate in SEZ building to make new contributions to the great cause of the motherland's reunification." "We also earnestly hope that Hong Kong, Macao, and Taiwan compatriots, as well as Overseas Chinese and friends from various countries, continue to show concern, support,

and participate in building China's SEZ's." General Secretary Jiang Zemin's words deeply impressed the patriotic Overseas Chinese in the VIP seats.

Tremendous Power of Science and Technology

On the morning of 19 December, General Secretary Jiang Zemin and other central leading comrades arrived at Fushan Exhibition City to visit the "Exhibition on Xiamen SEZ's Accomplishments in 10-Year Construction" held here. General Secretary Jiang was impressed by two sets of figures: By 18 December, Xiamen SEZ's 1991 gross industrial and agricultural output value had broken through 10 billion yuan, approximately 10 times the 1.1 billion yuan in 1980; and export in foreign trade had exceeded \$1 billion, over 7 times the \$140 million in 1980. The development rate was shockingly high in only 10 years! The general secretary's face betrayed a smile of approval.

Such accomplishments were inseparable from Xiamen's investment environment, which was becoming increasingly complete and perfect with each passing day. Xiamen was the first place in China to collect funds by the locality, along with imported foreign funds, to build an international airport. They broke ground in building the Gaoqi International Airport in 1982, which was delivered to use within only 22 months. Today, they have opened 33 domestic and outward-bound air routes, of which six were international routes (including regional ones). To suit this situation, it collected funds to initiate China's first local aviation company—Xiamen Aviation Company—with 20 domestic and outward-bound air routes opened, thus building "a bridge in the air" connecting Xiamen to various parts of China and the world. In addition, they have also succeeded in building China's first bridge spanning the sea—the Xiamen Bridge, along with four dockyards with berths for vessels with a tonnage of 10,000 [not further specified], and imported 50,000 program-controlled telephone lines. This series of capital infrastructure achievements has created conditions for Xiamen to widen and accelerate its economic construction. Thus, a number of new hi-tech industries surfaced one after another, and the high-quality products they turned out found their way into the home and world markets despite fierce competition. For example, the Tourist light plane produced by Aidiqing Company; the 16-ton container initiated by the Fork-lift Truck General Factory; the 980-model loader, which an engineering machinery plant produced; the luxurious tourist bus, van, and light tourist car turned out by Jinlong United Car Industrial Company, Limited; the GCKI motor generator control center produced by a motor generator control factory; the high-speed, high-precision press produced by a forging press manufacturing plant; the Y80-15 three-phase asynchronous motor generator produced by a motor generator manufacturing factory; various types of bearings produced by a bearing manufacturing factory; the large-type television screen and various types of color television sets produced by Huaqiao Electronics Enterprise Company, Limited; the video recorder, television

set, and karaoke player produced by Xiaxin Electronics Company, Limited; the WPK-III controlled computer for industrial purposes; Chinese and foreign language computer software; 3A-brand accounting computer; R41K radar and GPS100 global satellite-positioning systems, produced by Jiushi Electronic Information Technological Development Center—some of those products had been selected and used by the Asiad, some were awarded high-quality prizes issued by the Ministry of Machine-Building and Electronics Industry, and some of them were up to the world advanced level of the 1980's, and had rather strong competitiveness in the market, while enjoying a good reputation in the domestic market, with a rather broad market overseas.

Science and technological development were the vitally important factor for these accomplishments. Science and technology are the primary productive force. Xiamen SEZ has attached great importance to science and technology, and absorbed many scientific research institutes to take root and multiply in the SEZ, while promoting the combination of scientific research and production. The funds put into scientific research totalled 19.1746 million yuan during the first 10 years, with loans for scientific research totalling 27.98 million yuan; the number of scientific research development organizations grew from 7 to 92, and scored important results in 850 scientific research items, of which its thick film circuit was awarded with the national Torch Cup Prize; one of its reagents was awarded a class-A prize for outstanding results, issued by the Ministry of Public Health; and items awarded with the city's prizes for science and technological progress were far too numerous to be cited here. Progress in science and technology has elevated the qualities of the economy in its entirety, and enabled the Xiamen SEZ to surpass itself and leap onto a new plane.

During his stay at the exhibition hall, the general secretary paid special attention to this part, and was very pleased that the Xiamen SEZ had attached such great importance to the development of scientific and technological undertakings.

Hope Is Pinned on the Younger Generation

Despite his fully packed schedule, General Secretary Jiang Zemin made a special trip to Xiamen University to visit its teachers, students, staff, and workers on 19 December.

It was a little past 0800, the gold sunshine lit the colorful flowers and trees on the campus. Upon learning that General Secretary Jiang Zemin was to arrive, the teachers and students were very excited, and stood lining the two sides of the road. General Secretary Jiang eventually came, accompanied by Secretary Wang Luolin of the Xiamen University Party Committee and its President Lin Zhugeng, after visiting the Lu Xun Memorial; he received the warm welcome of some 800 teachers and students along the road. General Secretary Jiang talked cheerfully and humorously, and asked: "How is it that there are so many womenfolk here?" Mao

Tongwen [3029 6639 2429], Foreign Languages Department Communist Youth League general branch secretary answered: "They are all from the Foreign Languages Department." When General Secretary Jiang learned that the Foreign Languages Department comprising four specialities, English, Russian, Japanese, and French, he repeated the four specialities in each of its own language fluently, and won warm applause. General Secretary Jiang entered Qunxian Building behind a statue of Chen Jiageng, and participated in a cordial discussion meeting with the representatives of teachers and students from the campus. Having heard the speeches of representatives of teachers and students, the general secretary said: The central committee pins high hope on the younger generation, with great trust and confidence in them. We are strict with our requirements on you, chiefly to urge you to make greater progress. Who are responsible for the future world? Precisely the younger generation. He particularly pointed out: The responsibility of the younger generation is very heavy. To realize the magnificent cause of modernization calls for the efforts and hard work of all the Chinese people; young people should especially contribute their own strength. I am here today to express this hope to you. He stressed that young people should go through necessary tempering. He said that he had been a student himself. Life was not smooth sailing for anyone. It would be not a bad thing for anyone's growth to go through some ups and downs and setbacks. He hoped that young people would see far. One should cherish one's own profession and study what was involved in it; what one studied should be linked to practice, with theory linked to practice. It should be so with whatever profession. The general secretary expressed his heartfelt thanks to the teachers for their diligent hard work. He said that education was a great undertaking. Historical experience evidenced that education must come up, only then would the prosperity of the state be possible.

Advancing Toward a Brand-New Century

Night fell on Xiamen, and all the lights were on, bright as stars.

A large song and dance show called "Flying Toward the New Century" was put on stage of Xiamen Theater.

General Secretary Jiang was quite absorbed in the performance.

"Flying Toward the New Century" was created by Xiamen's artists in celebration of the 10th anniversary of Xiamen SEZ's building. With "a rising SEZ" as its theme, the show reviewed the history of Xiamen people in their struggles, depicted the tremendous changes in the SEZ's construction, showed people in the SEZ hoping for cross-strait reunification, and sang in praise of the heroic spirit of the SEZ's people in forging ahead bravely toward a new century; its great momentum and many stirring scenes were inspiring, and punctuated by warm applause.

The general secretary shared the audience's sentiments, while nodding his head and clapping hands now and then whenever there was a brilliant performance. When the curtain fell, he went up stage to meet the whole cast, congratulating them on the success of their performance. He said: "Thank you! Young people will certainly love a soiree of this kind. The SEZ should have an ideal and enterprising spirit. You who are engaged in art should likewise have an ideal and enterprising spirit."

It was late in the evening, but the lights in No. 5 Building of Xiamen Guest House were still on. It had been a hard day for General Secretary Jiang, but he did not seem tired. He started writing an inscription for the famous "Fine Eighth Company on Gulangyu" who defended the Xiamen SEZ day and night, and participated in building the SEZ. The inscription reads: "Bring Forward the Spirit of Lei Feng; build and defend the SEZ."

Although General Secretary Jiang's stay in Xiamen was only a 26-hour affair, his vigorous work spirit of attending to numerous affairs of state every day, his amiability and easy approachability will always be in the memories of Xiamen's people. His important speech delivered in Xiamen will be a strong impetus to further the reform and opening up of Xiamen SEZ. Xiamen people will always bear in mind the general secretary's enthusiastic encouragement: "I believe, from now on, the SEZ's will progress with still faster and firmer pace. By the year 2000, the SEZ's will have scored still richer fruits in socialist material and spiritual civilizations, and taken on new features with still greater prosperity."

NPC Standing Committee To Meet From 22 Dec

OW1912125592 Beijing XINHUA Domestic Service in Chinese 0619 GMT 19 Dec 92

[By reporters Zhang Yinshu (1728 6892 2562) and Zhang Sutang (1728 1372 1016)]

[Text] Beijing, 19 Dec (XINHUA)—Zhou Chengkui, spokesman for the office of the NPC [National People's Congress] Standing Committee, announced today that an NPC chairman meeting has decided to hold the 29th session of the Seventh NPC Standing Committee in Beijing on 22 December and that the session will last about seven days.

The agenda of the forthcoming Standing Committee session includes: Continued examination of the draft Cartography Law, the draft Overseas Chinese Donation Law, the draft State Security Law, the draft Supplementary Regulations on Punishing the Hijacking of Vessels and Aircraft, the Draft Revised Trade Mark Law, the draft Agricultural Technology Popularization Law, and other draft laws.

Proposals to be examined at the next Standing Committee session also include: The proposal on China's decision to join the International Convention Against Holding of Hostages, the proposal on ratifying the Sino-Russian Treaty on Judicial Cooperation, the proposal on

the Sino-Tunisian Consular Treaty, and the proposal on the Sino-Lithuanian Consular Treaty.

The State Council will brief the NPC Standing Committee on the development of our country's tertiary industry at the session. At the forthcoming session, the NPC Standing Committee will examine the reports of the NPC Nationalities Committee and the NPC Law Committee on the results of their examination of the proposals advanced by NPC deputies; the presidium of the Fifth Session of the Seventh NPC entrusted the above two committees with examining the proposals advanced by the NPC deputies. At the next session of the NPC Standing Committee, the NPC Law Committee and the NPC Financial and Economic Committee will also brief the NPC Standing Committee on the enforcement of the Administrative Litigation Law and the Enterprise Law.

Zhou Chengkui said that proposals on personnel appointments and removals and other proposals will also be examined during the next session.

Trademark Law To Be Revised

OW1912141892 Beijing XINHUA in English 1408 GMT 19 Dec 92

[Text] Beijing, December 19 (XINHUA)—China's Trademark Law will be revised at the upcoming session of the Standing Committee of the Seventh National People's Congress (NPC), China's legislature.

Scheduled to begin here next Tuesday, the session will deliberate the draft amendment to the Trademark Law, which has been enforced for over nine years.

Spokesman for the General Office of the NPC Standing Committee, Zhou Chengkui, said that the revision of the Trademark Law is intended to improve China's trademark system and converge it with the international common practice.

During the seven-day session, legislators will also deliberate the draft law on state security, which substantiates the stipulations in China's criminal law on the punishment of crimes that endanger state security.

The minimum punishment for hijacking aircraft and vessels will be increased from three years imprisonment to five years under draft supplementary regulations to be submitted for consideration.

China's criminal law categorizes the crime of hijacking planes as anti-government. "There are many other reasons of hijacking," said the spokesman, explaining the necessity of formulating the supplementary regulations.

The session will also deliberate the draft law on donations from the Overseas Chinese, which aims at protecting the enthusiasm of the Overseas Chinese and strengthening the management of the donations.

Other motions to be deliberated include the draft mapping law, the draft law on popularizing agricultural

technology, the decision of China's access to the international convention against hostage taking, and the judicial mutual assistance treaty between China and the Russian Federation.

Legislators will also hear a report provided by the State Council on the development of China's service industry and reports on the inspection of the implementation of the Administrative Procedure Law and the law on industrial enterprises under public ownership, which will be given respectively by the NPC Law Committee and the Financial and Economic Committee.

To Debate State Security

HK2112030092 Beijing CHINA DAILY in English 21 Dec 92 p 1

[Article by staff reporter Chang Hong: "NPC To Debate State Security"]

[Text] China's top lawmakers will review a draft law covering State security when they convene their bi-monthly session tomorrow in Beijing.

A spokesman for the Standing Committee of the National People's Congress (NPC) said that the State Council had submitted a draft law on national security and asked the committee to consider it.

"It is necessary to formulate such a law to maintain the national security, guarantee and promote the smooth progress of reform, and further economic construction," spokesman Zhou Chengkui told reporters in Beijing.

A source with the Ministry of State Security said the law intends to clarify what activities endanger national security and delineate the jurisdiction of State security establishments.

It also defines the rights and obligations of Chinese citizens and organizations in safeguarding the national security, and it spells out the legal ramifications when infringements occur, the source said.

Other legislation waiting for review by the NPC Standing Committee when it convenes this week includes a cartography law, revisions to the nation's trademark laws, a bill proposing heavier sentences to hi-jackers of planes and vessels, and a law concerning the dissemination of agricultural technology.

Zhou said the bill by the State Council concerning hijackings suggests the minimum jail term for people convicted of hijacking be increased from three years to five years. The existing Criminal Law of China provides for penalties ranging from three years in prison to death for convicted hijackers.

The spokesman said legislators are also expected to examine another State Council bill proposing changes to the nine-year-old Trademark Law.

He said the amendments are designed to improve China's trademark system and make it consistent with international trademark practices.

CYL Plenum Opens; Central Committee Members Resign

OW2012060592 Beijing XINHUA Domestic Service in Chinese 0937 GMT 17 Dec 92

[Text] Beijing, 17 Dec (XINHUA)—The fifth plenary session of the 12th Central Committee of the Communist Youth League [CYL] opened in Beijing today. The major tasks of the session are to study and implement the 14th CPC National Congress guidelines, and to study and arrange the CYL's work in the new situation.

Song Defu, first secretary of the Secretariat of the CYL Central Committee, spoke at the meeting. He said: We should emancipate minds; seek truth from facts; and, in the course of establishing a socialist market economy, explore new development trends, construct a new work pattern, and unify the thinking of all CYL members by unswervingly adhering to the party's basic line under the guidance of the theory of building socialism with Chinese characteristics. We must emphasize the core position of economic construction, and integrate the CYL's entire work into all aspects of establishing a socialist market economy; we must emphasize the unity of relations between the party and the CYL and between the CYL and its members and youth, by steadfastly upholding party leadership and serving youth wholeheartedly; we must also emphasize and bring into play the CYL's political advantages by training successors to the socialist cause who have ideals, morality, discipline, and general knowledge.

He pointed out: In the new situation, the CYL's ideological education should be concentrated mainly on studying the theory of building socialism with Chinese characteristics and helping and guiding young people to change their way of thinking; the CYL's productive labor should be oriented toward markets and guided by science and technology, relying on the application of science and technology to meet market demands. We should gradually centralize and increase the category of youth services, in order to set up and improve, as soon as possible, a diversified socialized service system under which the CYL serves its members and youths while the latter work for economic construction, everyone thereby making their contribution to the state. CYL organizations at various levels should proceed from local realities and conditions in promoting the CYL's substantive development, closely integrating the CYL's organizational construction with national economic construction and with the development of reform and opening up at the same time.

Today's session approved a "motion confirming the resignation and election of additional members and alternate members of the CYL Central Committee." On the Central Committee, 35 members resigned.

The session will approve a "decision on studying Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics" and "a resolution on the convocation of the 13th CYL National Congress."

Hu Jintao Urges Study of Deng's Theory

OW1912154292 Beijing XINHUA in English 1514
GMT 19 Dec 92

[Text] Beijing, December 19 (XINHUA)—Hu Jintao today called on the young people to study Deng Xiaoping's theory of building socialism with Chinese characteristics.

A member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC), and a member of the Secretariat of the Central Committee of CPC, Hu delivered the speech at the fifth plenary session of the 12th Central Committee of the Chinese Communist Youth League.

He said that the younger generation should study the theories raised by Deng Xiaoping, the chief architect of China's reform and open policies, and come to understand a series of basic issues such as how to construct, consolidate and develop socialism in the country which is backward in terms of economy and culture.

Through studies, young people would further heighten their confidence in building socialism and improve political qualities and enhance ability for solving problems in practice, he said.

Hu also said that currently the country should focus attention on the patriotic education of the younger generation. Youngsters should be guided to study the market economy, management theories and modern science and technology. They should make every effort to become dab hands at their own jobs.

The younger generation should integrate with the mass of workers and peasants.

Hu emphasized that the younger generation must give full play to their intelligence and wisdom, and make contributions to reform and opening drive, and the modernization of the country.

Ren Jianxin Speaks at Meeting on Court Work

OW2112142092 Beijing XINHUA in English 1325
GMT 21 Dec 92

[Text] Beijing, December 21 (XINHUA)—The courts are serving China's economic construction directly by using the law to adjust economic relations and punish serious economic crimes, President of the Supreme People's Court Ren Jianxin said here today.

At the meeting on National Court Work, which opened this morning, he said that economic crimes are still relatively serious in some parts of the country. In the first 11 months of this year, courts at all levels heard a total of 40,270 cases of economic crimes.

"The deeper the reform and opening goes, the more important it becomes to maintain the dignity and integrity of the law," said Ren, stressing the seriousness of enforcing the law and the authority of the court decision.

He called on all courts to take the national interests into account and firmly resist local and departmental protectionism.

"It is not only to establish a united domestic market, but also to participate in international market competition that we are strengthening China's legislative and judicial work," said the top judge.

He said that the courts should continue to focus on cracking down on corrupt officials.

He particularly stressed the importance of the fight against crimes like smuggling, swindling, tax evasion, forgery, producing fake and shoddy commodities, unlawful tree felling and damaging mineral resources.

However, he also pointed out: "Activities which are not clearly banned by the law and policy, or mistakes made by those who take bold steps in reform and have the courage to try breakthroughs in production, management or science and high-technology should not be randomly defined as crimes."

More than 270 presidents of intermediate or high courts across the country are attending the meeting. They will later discuss issues such as setting up judicial organs in the development areas or bonded zones and revising the organic law of the People's Court.

State Council Appoints New Information Director

OW2112014592 Beijing XINHUA in English 0056
GMT 21 Dec 92

[Text] Beijing, December 21 (XINHUA)—Zeng Jianhui has been appointed director of the Information Office of the State Council to replace 76-year-old Zhu Muzhi.

The appointment was made by the State Council.

Zeng Jianhui was born in 1928 in Pingjiang of Hunan Province. He joined the XINHUA NEWS AGENCY in 1949 and once served as its vice-president. Later, he became deputy head of the Propaganda Department of the Central Committee of the Chinese Communist Party and deputy director of the Information Office of the State Council.

Zeng is still keeping the post of deputy head of the Propaganda Department.

Dong Yinchu Reelected Zhi Gong Dang Chairman

OW1912130092 Beijing XINHUA in English 1247
GMT 19 Dec 92

[Text] Beijing, December 19 (XINHUA)—Dong Yinchu was re-elected as chairman of the China Zhi Gong Dang

(Party for Public Interest) in the First Plenary Session of the party's 10th Central Committee held this afternoon.

Dong Yinchu, 77, was born in Hefei, capital of Anhui Province, and graduated from Shanghai Jiaotong University in 1938. He went to Hong Kong and then Indonesia and was put into prison by the Japanese Army in 1942. He returned to Shanghai from Indonesia in 1947.

He was elected as vice-chairman of the Eighth Central Committee and chairman in the Ninth Central Committee of the China Zhi Gong Dang, a party composed of returned Overseas Chinese or their family members.

He served as chairman of the Shanghai Federation of Returned Overseas Chinese, vice-chairman of the Shanghai Municipal Committee of the Chinese People's Political Consultative Conference, member of the Standing Committee of the Chinese People's Political Consultative Conference National Committee and member of the Standing Committee of the National People's Congress.

At today's plenary session, Yang Jike was elected as permanent vice-chairman of the party. Lu Rongshu, Zheng Shouyi, Wang Songda and Luo Haocai were elected as vice-chairmen.

At the 10th national meeting of the party this morning, 91 people were elected to the 10th Central Committee, among whom four are alternate members. They are all returned Overseas Chinese, family members of returned Overseas Chinese or of those in Hong Kong, Macao and Taiwan.

The average age of the members of the Central Committee is 58.36 years old.

Group's National Congress Ends

OW2012203892 Beijing XINHUA in English 1557
GMT 20 Dec 92

[Text] Beijing, December 20 (XINHUA)—The Tenth National Congress of the China Zhi Gong Dang (Party for Public Interest) ended today in Beijing.

The congress has discussed and approved the work report of the party's ninth central committee; amended and approved the party's constitution; elected the tenth central committee; and defined the party's central work and basic tasks in the future.

In his closing address, Dong Yinchu, chairman of the party's central committee, urged the party to serve the country's economic construction.

Science & Technology

'Successful' Aussat B-2 Satellite Launch Noted

OW2112132192 Beijing XINHUA in English 1259
GMT 21 Dec 92

[Text] Beijing, December 21 (XINHUA)—China has gained a new score in the international satellite launching market as its Long March 2-E carrier rocket blasted off and thrust the second Australian telecommunication satellite into orbit this evening in the Xichang Launch Center, southwest China.

The two successful launches of Australian satellites tell the world that the Long March 2-E has entered the international launching business and China can launch the world's most up-to-date commercial satellites, commented Tang Jinan, president of China Great Wall Industrial Corporation (CGWIC), which is in charge of China's commercial launching business.

According to a spokesman from CGWIC, China entered the international commercial launching business only in the past few years. In October 1985, China announced that its Long March series rockets could be a complement to the world's satellite launching.

Then, the spokesman said, China's commercial launching service was not recognized by the world market. However, it became a known fact that China had mastered the most advanced technologies in satellite launching and monitoring such as reentry, geostationary orbits and placing several satellites into orbit with one carrier.

In 1987 and 1988, China provided piggyback services for French and German satellites respectively, which caught the attention of international commercial launching market including such fields as pace technology, business and insurance.

The successful launching of Asiasat-1 in April 1990, and the piggyback services for Pakistani and Swedish satellites in 1990 and 1992 have further consolidated the confidence of foreign business circles, making China the third country in the world to enter the international commercial launching market.

To guarantee the safety and maintain security for foreign customers, China has promised that foreign planes carrying satellites can land in designated airports and are exempted from customs and other examinations. Meanwhile, foreign satellites can be under strict supervision and control of their owners when being stored and monitored in China.

The cooperation with foreign partners has told the foreign customers that China has kept its promises in launching Asiasat-1, two Australian satellites and other foreign satellites.

A spokesman from CGWIC said, during more than four years of cooperation with the U.S. and Australian

experts, China has acted strictly according to the three agreements reached between China and the United States concerning the safeguarding of satellite technology, the costs and insurance.

As a result, the U.S. and Australian sides declared that the Aussat B-1, which aborted after a faulty ignition circuit misfired, causing an emergency shutdown on March 22 this year, would still be launched in China.

On China's future launching for foreign customers, Chen Shouchun, CGWIC vice-president who is now at the launch site, told XINHUA that facts have spoken for themselves and China's Long March carrier rockets can meet different demands of foreign satellites. They can also provide piggyback services and satellite spare parts for foreign customers as well.

The launch centers in Xichang and Jiuquan have greatly improved their services and launch standards after the successful launching of foreign satellites, Chen continued.

He said China has signed contracts and is still busy negotiating with some large international satellite organizations, such as the International Satellite Communication Organization (Intelsat) to provide further launching services. The use of the Long March 3-A carrier rocket, designated for next year, will bring brighter prospects for such services, he added.

Li Peng Praises Launch

OW2112134092 Beijing Central People's Radio Network in Mandarin 1200 GMT 21 Dec 92

[From the "National Hookup" program]

[Text] At 1920 Beijing time [1120 GMT] today, the Xichang Satellite Launching Center again successfully launched an Australian satellite via a Long March 2-E carrier rocket. According to data transmitted from the Xian Satellite Monitoring and Control Center, the Aussat smoothly entered its pre-designated orbit and maintained a position stipulated in the contract. Primary parameters concerning the orbit of the satellite have been handed to the customers.

Up to now, China has completely fulfilled its contract to launch two communications satellites for Australia. The CPC Central Committee, the State Council, and the Central Military Commission sent congratulatory telegrams to the entire staff participating in the launching of the Aussat. Premier Li Peng called to extend his congratulations.

Satellite Center Attracting Business, Tourism

OW1912131692 Beijing XINHUA Domestic Service in Chinese 0737 GMT 19 Dec 92

[By reporter Li Xiuqing (2621 4423 3237) and correspondent Meng Lingjun 1322 0109 6511]

[Excerpts] Xichang, 19 Dec (XINHUA)—Hu Shixiang, director of the Xichang Satellite Launching Center,

announced on the eve of the launching of the second satellite for Australia that the center will not only seek to further expand the contracting of business to launch foreign satellites, it will also vigorously develop tourism; run a space-science park; and turn the once mysterious valley into a multifunctional, high-tech tourist attraction spot. The drawing of a blueprint for the development of the Xichang Satellite Launching Center has now been completed and work on the first stage of the development project has started. [passage omitted]

The launching of satellites as well as the satellite launching site itself have attracted both domestic and foreign businessmen. [passage omitted]

Businessmen say that they support the space industry as it will help publicize their enterprises and boost their business.

Daya Nuclear Power Plant Sets Operation Goals

OW2012204092 Beijing XINHUA in English 1543 GMT 20 Dec 92

[Text] Shenzhen, December 20 (XINHUA)—The No. 1 generating set at the Daya Bay nuclear power plant in southern China's Guangdong Province may start operation toward the end of next year.

This was released at a news briefing given by the plant today.

The plant has successfully completed the tests of the functions of the nuclear island in the cold state and the joint debugging of the conventional island by using steam from boilers. The nuclear fuel for the first heat has been safely shipped to the site.

The installation and engineering work have been verified to meet the set requirements.

The fuel is expected to be charged in May or June next year and the first generating set which has a capacity of 900,000 kw [kilowatts] may go on stream by the end of next year.

Military

Military Enterprises More Competitive in Markets

OW1812090192 Beijing XINHUA Domestic Service in Chinese 0434 GMT 16 Dec 92

[By reporter Jia Yong (6328 3057) and correspondent Liu Cheng (0491 4453)]

[Text] Beijing, 16 Dec (XINHUA)—China's military industrial enterprises have readjusted their development strategies according to market demand and, by doing so, have gained a foothold in domestic and overseas markets. Famous brand-name products produced by these enterprises have increased by leaps and bounds, and

prospects are bright for these enterprises' international cooperation in new and high-technology fields.

This reporter has learned from the China Association for the Peaceful Use of Military Industrial Technology that currently China's military industrial enterprises have established 475 commercial production lines and that the output value of their commercial products accounts for 76 percent of their total output. As the product mix and technological structure of military industrial enterprises undergo sharp changes and their products become more competitive, commercial products developed by these enterprises have included products connected to some 100 industries and trades, including communications, energy industry, transportation, light industry, textile industry, medical and public health services, engineering, and the construction industry. Moreover, these commercial products are being exported to more than 20 countries on five continents. These enterprises' international cooperation is now entering the fields of new and high-technologies, and marked results have been achieved in several hundred joint projects at the high-industry and high-technology level.

The main reason that China's military industrial enterprises have been successfully converted to produce commercial products is that they have been encouraged to meet market demand since the very beginning, providing them with an opportunity to discover a way to survive and develop among competitors. With the exception of some important military products that have been produced under the state's mandatory production plans, the production and marketing of other products has been decided by the enterprises themselves. Implementation of this development strategy has accelerated the transformation of military industrial enterprises from closed production enterprises to open enterprises engaging in both production and marketing operations. These enterprises have produced whatever the market demands and have moved into those fields that are most lucrative. The economic benefits of several hundred industrial and science and technology enterprises established in the Shenzhen Special Economic Zone by the scientists and technical workers of military industrial departments have reached several billion yuan. The development and application of civilian nuclear technology by the country's nuclear industrial establishment have brought about the birth of a new product. The military electronics industry has formed a large civilian electronics industrial group that has developed a string of famous high-technology products for civilian use. The ship-building industry has actively undertaken the design and manufacturing of key equipment for key state projects. More than 1,000 kinds of the industry's products that are not directly related to shipping, as well as more than 80 kinds of pillar products, have been used by more than 20 other industries, including the astronautics industry, the electric power industry, the petroleum industry, and the chemical industry. Shipping products and mechanical-electrical products produced by the ship-building industry have gained a foothold in the international

market. The ordnance industry has broken the boundaries between departments, trades, and the forms of ownership to set up more than 10 integrated economic establishments, including establishments that produce motorcycles, refrigerators, heavy minivehicles, and cameras. Minicars for civilian use produced by the ordnance industry account for one sixth of the country's total. Jialing brand motorcycles and Changan minicars have sold briskly in domestic and overseas markets. More than 100 kinds of good-quality civilian products produced by military industrial enterprises in inner provinces, which constitute a considerable part of the country's military industrial enterprises, have entered the international market.

According to data provided by concerned departments, since the country's military industrial enterprises adopted the strategy of producing products for civilian use, some 30,000 military technologies have been used for producing civilian products; more than 1,000 technical problems related to the application of military technologies to producing civilian products have been solved; the output value of civilian products has increased at an annual average rate of 20 percent; and the enterprises' profits and tax payments have increased sharply year by year. At the same time, military industrial enterprises have gradually established and refined a set of internal management, constraining, and development mechanisms that are benefiting the commodity economy.

Lanzhou Commissar Discusses Army Building

SK1912041992 Beijing RENMIN LUNTAN in Chinese No 4, 5 Aug 92 p 19

[Article by Cao Pengsheng, political commissar of the Lanzhou Military Region: "Army Building in the New Historic Period Should Enhance the Quality Building While Deepening the Reform"]

[Text] Enhancing quality building in the new historic period represents a core content of Comrade Deng Xiaoping's thought on army building, which has enriched and developed the Mao Zedong military thought. Practice conducted over the past few years in building the People's Liberation Army [PLA] units has shown that truly boosting the quality building cannot be divorced from inheriting and developing the Yanan Spirit fostered by our party and Army during the long revolutionary struggles. Carrying forward the spirit not only can correctly direct the development of quality building but also can provide precious spiritual motivational power and a fine development environment for quality building. To deeply implement the spirit of Comrade Deng Xiaoping's speeches made during his inspection tours in the south and to implement his thought of army building in the new historic period, we must hold the banner of Yanan Spirit higher and continuously promote the improvement of quality building standards during the current period in which reforms are being deepened so as to realize the fighting targets put forward by Chairman Jiang of the Central

Military Commission with regard to "being qualified in politics, being proficient in military, being fine in work style, being strict in disciplines, and being powerful in guarantee."

Efforts should be made to uphold the spirit of seeking truth from facts and to define the correct guiding ideology of enhancing quality building. Seeking truth from facts represents the centralized manifestation of Yanan Spirit and also represents the quintessence and soul of Comrade Deng Xiaoping's thought on army building in the new historic period. In enhancing the quality building among the PLA units while deepening the reform, we will encounter many new questions and have no ready-made "materials" for answering these questions. Under such a situation, what is fundamental is that we should emancipate our minds, boldly engage in exploration, deal with the new contradictions and problems cropping up in quality building by using the stand and viewpoint of seeking truth from facts, and should seek quality and development in the course of conducting reform. Over the past few years, we have paid attention to repeatedly implementing the spirit of seeking truth from facts in carrying out quality building among party committees and PLA units at all levels. We have upheld the principle of integrating Comrade Deng Xiaoping's thought on army building in the new historic period and the Central Military Commission's major policies on armed force reform and construction with the specific reality of the Lanzhou Military Region. In line with the military region's characteristics, such as over scattered army compounds, the arduous environment, many border areas connected with foreign countries, the long border line, and the population of multiple nationalities, we have also worked out the special law of building armed forces in northwest China and carried out the work in a creative way. The law in this regard has played an active role in enhancing the military region's quality building and upgrading its fighting strength.

Efforts should be made to maintain forever the revolutionary spirit of arduous struggle and to foster the strong spiritual pillar of enhancing quality building among the PLA units. Our country is still in the initial stage of socialism at present and its comprehensive strength is not strong enough. It is impossible for her to appropriate much money for improving weapons, equipment, and the conditions of material life. To implement the principle of "the army forces should be patient," we should depend on arduous struggles; carry out careful calculation and strict budgeting; and do more things by using the limited money. Meanwhile, judging from the military region's reality, the conditions of material life of the PLA units under the military region are more arduous because most of them live in border areas on the highland or in the Gobi Desert. In facing this arduous environment, we should depend on holding high the banner of arduous struggle to keep the troopers here, cohere the enthusiasm of the PLA units and have them fulfill their duties by withstanding the test of arduous environment. We should also foster the "five revolutionary spirits" advocated by Comrade Deng Xiaoping

so as to enable the broad masses of officers and soldiers to maintain their lofty fighting will and their fine mental outlook always.

Efforts should be made to develop the fine tradition of "supporting the army and giving preferential treatment to servicemen's families as well as supporting the government and cherishing the people" and to create a good external environment for enhancing the quality building of PLA units. Inheriting and developing the "double support" tradition under the new situation of reform and opening up not only makes creating a safe and stable environment for reform and opening up and bringing into play the historic role of safeguarding and protecting the party's basic line possible but also allows the contradictions and problems cropping up in the course of accelerating the reform to be avoided or reduced and forcefully maintains the stability of the society and PLA units so as to ensure smooth progress in the quality building of PLA units. Based on this understanding and under the new reform situation and task, the PLA units under our military region should set a higher criterion in both understanding and action for successfully conducting the "double support" work so as to enable themselves to play a greater role in this regard.

Economic & Agricultural

New Tariff Cuts Aim To Meet GATT Requirements

HK2012080192 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 20-26 Dec 92 p 2

[By Wang Ya: "Lower Tariffs on the Way for 1993"]

[Text] Tariff cuts scheduled to take effect on December 31 signal China's latest attempt to come into line with lower tariffs mandated by the General Agreement on Tariffs and Trade (Gatt).

The cuts, which will affect tariffs on 3,371 tax items (see accompanying list for some of the items) will be the third reduction in a year.

The cuts will involve 53.6 percent of the country's total tax items and shear tariffs overall by 7.3 percent, officials say.

China's current average tariff rate is far higher than that of developing nations.

Officials of the Ministry of Foreign Economic Relations and Trade (Mofert) said China has agreed to cut its tariffs gradually.

They billed the latest cuts as China's contribution to the bid to liberalize trade worldwide. Traders now are dismayed by protectionism practised by certain countries.

They pointed out that the impending cut will bring China's general tariff level closer to the 15 percent level for developing nations.

China's efforts to re-enter Gatt have now crystallized into making substantial tariff concessions.

Analysts said the announced package may help China in current trade negotiations.

Officials say that further decreases in China's tariffs are likely as time goes on.

"The newly-announced mammoth cut is more than just an individual event. It has a strategic overtone for retooling China's foreign trade regime," an official explained.

The move will help establish tariffs as one of most important instruments to regulate China's foreign trade in place of central planning.

China has decided to supplant rigid central control, which runs against international trade norms, with tariff and exchange rates.

"The huge tariff cuts are also conducive to the institution of a complete market economy in China," officials from the General Administration of Customs said.

The package will cull out the "unreasonably high" tariffs on certain items while protecting the country's infant industries, they said.

Cuts will be made in the following important categories:

- Raw materials including crude oil, timber, pig iron and gems;
- Advanced technology and equipment that China cannot produce including large aircraft and certain computer software;
- Certain products made in developing countries including a wide range of medicines;
- Commodities that China boasts competitive manufacturing edges in the world market, such as garments and shoes.

Officials said the tariff cuts will help China buy more technology and raw materials from overseas to fuel its fast economic expansion.

Dispelling wide-spread fears about a possible squeeze upon domestic manufacturers, the officials explained that the coming reduction would not hurt China's infant industries.

Details of the commodities for tariff reduction are being hammered out nationwide and will be available soon, they said.

Here is a list of commodities in for tariff cuts:

1. Minerals: Tariffs are cut by an average 6.9 percent. a) Crude oil—tariffs down from 3 percent to 2 percent. b) Naphtha—down from 15 percent to 10 percent. c) Fibre asbestos—down from 20 percent to 15 percent. d) Gems—down from 9 percent to 7 percent.

2. Machinery and electronics products: Tariffs are cut by an average 6.2 percent. a) Household sewing machines—down from 60 percent to 50 percent. b) Computer software—down to 9 percent. c) Electric hand tools—down from 80 percent to 75 percent. d) Condensers—down from 25 percent to 23 percent. e) Instant cameras—down from 50 percent to 5 percent. f) Ordinary cameras—down from 80 percent to 50 percent. g) Camera parts (such as lenses)—down from 80 to 25 percent.

3. Transportation equipment. Tariffs are cut by an average 5.2 percent. a) Large aircraft—down from 6 percent to 5 percent. b) Automobile shock absorbers and radiators—down from 80 percent to 50 percent.

4. Chemicals: Tariffs are cut by an average 4.2 percent. a) Ethylene, propylene, butylene—down from 15 percent to 12 percent. b) Polyethylene, polypropylene—down from 30 percent to 28 percent. c) Dyes—down from 25 percent to 23 percent.

5. Building materials: Tariffs are cut by an average 9.2 percent. a) Ordinary slate and brick—down from 70 percent to 60 percent. b) Cement products—down from 50 percent to 40 percent. c) Quartz glass fibre, optical fibre—down from 12 percent to 9 percent.

6. Metal and metal products: Tariffs are cut by an average 7.3 percent. a) Pig iron—down from 3 percent to 2 percent. b) Silicon steel—down from 15 percent to 12 percent. c) Copper—down from 6 percent to 5.5 percent.

7. Farm produce: Tariffs are cut by an average 8 percent. a) Cattle and sheep fat—down from 50 and 20 percent to 10 percent. b) Cowhide—down from 12 to 10 percent. c) Chocolate and non-coca sugar—down from 40 to 15 percent.

8. Textile raw material and produce: Tariffs are cut by an average

9.6 percent. a) Man-made cotton and acrylic fibre—down from 25 to 20 percent. b) Polyamide fibre—down from 50 to 45 percent. c) Chemical fibre product—down from 100 to 90 percent. d) Garment—down from 100 to 95 percent.

9. Timber and paper: Tariffs are cut by an average 9.4 percent. a) Ordinary logs—down from 3 to 2.5 percent. b) High-grade timber—down from 25 to 20 percent. c) Sheet wood for making plywood—down from 12 to 9 percent.

Jiang Zemin, Li Peng on Economic Situation

HK2012085092 Beijing XINHUA Hong Kong Service in Chinese 1417 GMT 19 Dec 92

[Text] Beijing, 19 Dec (XINHUA)—CPC General Secretary Jiang Zemin and Premier Li Peng attended the closing ceremony of the national planning meeting on 18

December and expressed important opinions on the current economic situation and next year's economic work.

In their speeches, Jiang Zemin and Li Peng stressed that in economic work it is necessary to actively, comprehensively, and correctly implement the spirit of the 14th CPC National Congress and Deng Xiaoping's southern tour important talks, to emancipate the mind, to seek truth from facts, to carry out our work earnestly and in a down-to-earth manner and earnestly; and in the course of building the socialist market economic structure, to materialize a comparatively fast growth rate which is effective, has a rational structure, and corresponds with market demand.

This national planning meeting was held in Beijing 14-18 December. The meeting's major agenda was to conscientiously implement the 14th CPC National Congress spirit, to study and decide the tasks for next year's reform, opening up, and economic construction, to make good arrangements for national economic and social development, and to exchange views on the necessary adjustment of the Eighth Five-Year Plan.

In his speech Jiang Zemin explained six aspects: The first is the current economic situation; the second is correctly handling the relations between development rates and improving economic results, as well as adjusting the structure; the third is actively exploring the specific methods to establish the socialist market economic structure; the fourth is making major efforts to develop markets and strengthen macro regulation and control; the fifth is strengthening the study and improvement of leadership work; and the sixth is institutional reform.

Jiang Zemin pointed out: The present economic situation is very good and the country is full of vitality. In the meantime, it is necessary to look squarely at some problems which must be solved in this good situation, to do our work in a down-to-earth manner, to prevent the emergence of an overheated economy, to ensure a good and fast national economic development, to move a step higher every several years, and to increase China's economic strength and comprehensive national strength.

Li Peng pointed out in his speech: The socialist market economy includes two regulatory and control means; one is markets and the other is plans. Close attention should be paid to fostering and developing all kinds of markets and to displaying the basic role of markets in resources disposition. In the meantime, there is also a need to strengthen and improve state macroregulation and control, to reform planned management, and to bring into better play the role of the two means of plans and markets.

Li Peng continued: Since the beginning of this year, China's reform, opening up, and modernization have entered a new development period and its achievements have drawn world attention. He pointed out: "Facing these achievements, we should remain sober-minded

and take necessary measures to resolve some problems worthy of attention in economic development."

Li Peng stressed: In next year's economic work, there is a need to speed up reform and economic construction, to work in a down-to-earth manner, to pay attention to actual results, to really control the gross economic volume, to maintain a basic balance between gross social demand and supply, to base development rates on quality improvement, structural optimization, and better results, and to consider the bearing capacity of the economy so as to ensure that economic construction, reform, and opening up will develop more positively and in a healthier way.

'Steady, Healthy' Economic Progress Forecast

*OW2012050992 Beijing XINHUA in English 0330
GMT 20 Dec 92*

[Text] Beijing, December 20 (XINHUA)—China's gross national product (GNP) is predicted to increase 10 percent in 1993 while industrial production will rise by around 16 to 17 percent.

GNP and industrial growth for 1992 are expected to increase 12 percent and more than 20 percent respectively over last year, said Zhang Yuansheng, deputy director of the Economic Forecasting Department of the State Information Center which is under the State Planning Commission.

The country's economy will continue to maintain a "pretty high but steady and healthy" growth rate in the new year and the high economic growth will create more business opportunities for foreign companies.

In the January-November period this year, output of the country's industrial sector increased 20.4 percent over the same period last year which is among the highest growth rate in more than 10 years, Zhang said.

In 1993, demand for investment and loans will be high because the state has relaxed its controls in approving new projects. Foreign trade, stimulated by an anticipated global economic recovery, will continue to rise, Zhang predicted.

Those factors should cause "exuberant demand" for major materials in 1993, he said. This year, supply of about 80 percent of materials such as steel, cement, glass, and crude and refined oil, has lagged demand, said Zhang.

Demand for cars is expected to increase in 1993 because the government has loosened its controls and because increasingly wealthy Chinese are expected to buy more cars.

Zhang noted that major domestic industries have room to expand production next year to provide more products and materials that are expected to be in high demand.

In 1993, Zhang predicted, production increases for steel, power generation and autos should help bridge the gap between supply and demand.

Entrepreneurs Stress Improved Product Quality

OW1912195192 Beijing XINHUA Domestic Service in Chinese 0852 GMT 16 Dec 92

[By Gu Honghong (7357 3163 3163)]

[Excerpts] Beijing, 16 Dec (XINHUA)—On the question of product quality, a leading comrade of the State Council has pointed out: The product quality question is worrisome. Our quality control is lax. Repeated orders have not put a halt to fake and substandard products. We lack effective measures.

Indeed, there have been signs that the quality of some of our products has been notably deteriorating. The results of a state spot check indicated that the percentage of major products that are up to standards has dropped from 74 percent in the first quarter to 72 percent in the second quarter, and to 70 percent in the third quarter, the lowest in recent years. In some provinces, certain products completely failed to reach the prescribed standards during the spot check.

Not only is the percentage of final products meeting acceptable standards low, but also the percentage of semifinished products in the production process that meet standards is low. As a result, inferior products are causing serious waste. Take integrated circuits for example. The amount of our products reaching acceptable standards in the production process is 50 percent lower than advanced levels from abroad. Xu Penghang, director of the State Technology Supervision Bureau, believed that this alarming waste is an important factor contributing to higher production costs and lower economic returns among enterprises.

This development—which comes at a time when our country is advancing toward a market economy and is ready to become a GATT member—cannot but cause concern among people.

Representatives from more than 200 quality-efficiency enterprises attending a national experience-exchange conference at the Wuhan Steel Mill cited many facts on enterprise development to show that only by taking the road of quality and efficiency can an enterprise continue to grow.

Having operated for many years under the structure of a planned economy, most of our country's enterprises are accustomed to a path that stresses quantity and volume. This path only requires product quality to pass relevant inspection criteria. This "pass" quality concept apparently will not do in a market economy. Representatives attending the meeting pointed out that this "pass" quality concept must be replaced by one which stresses "adaptability"—namely, evaluating product quality by market needs. Only those products that adapt to market

needs and are welcome by consumers can be considered quality products. [passage omitted]

Representatives attending the meeting pointed out: Practice shows that the fundamental solution to the question of quality is to allow enterprises to compete in the market. There must be a fair and reasonable environment for such competition, however. The diesel engines produced by Changzhou Diesel Engine Plant are brand-name products both at home and abroad; however, the plant has suffered a great deal as a result of fake products. After citing each incident, Director Li Hanhua asked the state's relevant departments to adopt decisive measures to sternly investigate and deal with fake products to create a favorable environment for enterprises to improve their product quality.

Tian Jiyun Addresses Commodity Inspection Meeting

OW1812133992 Beijing XINHUA in English 1323 GMT 18 Dec 92

[Text] Beijing, December 18 (XINHUA)—China's Vice-Premier Tian Jiyun urged the state's commodity inspection departments to tighten control over import and export commodity quality.

He said great progress has been made in the improvement of the import and export commodity quality. However, the rapid growth in foreign trade and numerous newly-opened channels have created arduous tasks for the state departments for commodity inspection.

Speaking at a national conference on commodity inspection here today, Tian urged inspection departments to make greater efforts to enforce inspection and supervision according to law and improve their work.

Wang Jiu'an, chief of the State Administration for the Inspection of Import and Export Commodities, said that quality of import and export commodities has been improving this year.

Compared with last year, the percentage of substandard imported goods dropped by 9.6 percent and the figure for exported goods was reduced by 0.28 percent, the official said.

About 380 million U.S. dollars' worth of substandard goods were barred from export by the inspection departments.

Wang said the inspection departments helped local importers demand compensation for 2.63 billion U.S. dollars' worth of inferior imported goods.

Products made by about 2,000 local enterprises were authorized to use quality marks, such as the UL (underwriters' listing) by the United States, CSA by Canada and TUV by Germany, as well as the pure wool mark.

To date, the State Administration for the Inspection of Import and Export Commodities has awarded about 17,000 licenses to domestic enterprises for quality export goods.

Better Export Quality Checks Promised

HK1912061092 Beijing CHINA DAILY in English 19 Dec 92 p 2

[By staff reporter Zhang Yuan: "Inspection of Exports for Quality To Improve"]

[Text] China's quality watchdog for import and export commodities yesterday announced its decision to work hard next year to strengthen inspections of export commodities to promote China's already prosperous foreign trade.

In a more fiercely competitive world, strict controls on the quality of export commodities are very important in helping China to expand its foreign trade. Quality checks on both import and export commodities should be strengthened in developing a socialist market economy, a senior official with the Ministry of Foreign Economic Relations and Trade said. He spoke at the opening ceremony of a national work conference on import-export commodity inspection.

According to a report released by the State Administration for Import and Export Commodity Inspection, next year's moves include allowing foreign counterparts to set up joint or cooperative ventures for the inspection of import and export commodities in China, establishing more offices overseas, building up more import and export commodity inspection branches and laboratories, and enhancing its inspection workforce.

In 1993, the administration will make efforts to create suitable conditions and choose appropriate foreign counterparts to establish Sino-foreign joint or cooperative ventures for inspecting and appraising the quality of import and export commodities within the administration-set guidelines, the report said.

That is expected to improve the inspection process through the introduction of advanced management experience, equipment, and technology from foreign partners, Chinese experts say.

Meanwhile, the China Import and Export Commodity Inspection Corporation is going to increase its overseas offices from about 20 to 30 to help the corporation expand its capability, the report said.

To upgrade the technical side of its own inspections and appraisals, the administration will set up 10 more first-grade and 20 more second- and third-grade laboratories throughout the country next year, as well as establishing several internationally standardized inspecting and testing centres for household electronic appliances and foodstuffs. The latter move is expected to promote

exports in those fields. At the same time, the administration plans to establish more branches in those areas where an export-oriented economy prospers.

Measures will also be taken to control the quality of commodities traded in the country's border areas to safeguard the reputation of Chinese-made goods, the report said.

The report also said that more than 1.38 million batches of import and export commodities, worth \$53.26 billion, were officially inspected in the January-November period this year, up 7.85 percent and 12.5 percent respectively from the same period last year.

In the same period, the administration checked out a total of 14,000 batches of import commodities that failed to meet quality standards, the report said.

Industry Federation Promotes Self-Run Enterprises

HK1812143592 Beijing ZHONGGUO XINWEN SHE in Chinese 1022 GMT 16 Dec 92

[By reporter Li Zongbo (2621 1350 0590)]

[Text] Beijing, 16 Dec (ZHONGGUO XINWEN SHE)—The All-China Federation of Industry and Commerce has carried out reform at an accelerated pace, boldly blazed new trails, and vigorously promoted self-run enterprises.

This reporter learned from a meeting of the Sixth Executive Committee of the All-China Federation of Industry and Commerce, which was held here a few days ago, that the Tongyuan Company—an enterprise run by the federation—has done business with Hong Kong, Macao, Taiwan, Southeast Asia, and the CIS and, together with foreign partners, set up the Tiancheng Machinery and Electronic Technology Company Limited in Beijing and the Yaohua Glass Industrial Company Limited in Fujian. The Tongyuan Company has also formed integrated companies in Zhuhai and Yantai with relevant units. It plans to set up branches in Shenzhen, Shanghai, Jiangsu, Shandong, and Jilin.

The Industrial and Commercial Talents Training Center run by the federation, which provides society with short-term training in professional skills, has run a "foreign economic relations and trade business training course" with the Ministry of Foreign Economic Relations and Trade and a "training course on economic monitoring and early warning" with the Chinese People's University. Currently, it is jointly organizing a "Sino-foreign joint venture and cooperation study class" with Guangzhou city.

Materials, Equipment Minister on Distribution

OW2012132592 Beijing XINHUA in English 1317
GMT 20 Dec 92

[Text] Tianjin, December 20 (XINHUA)—To date, only 72 varieties of goods remain under the state mandatory planned distribution system, compared with 837 varieties in the early 1980s.

Goods enterprises in China have basically realized the transfer from planned distribution to market management, said Liu Suinian, minister of materials and equipment, while addressing a conference held here today.

According to Liu, the market now handles 90 percent of the capital goods needed by China's coastal regions and enterprises below medium-sized cities as well as 75 percent of the goods demanded by domestic key enterprises.

Compared with the country's total output, the proportion of goods under the mandatory distribution plan are, respectively: rolled steel, 35.8 percent; cement, 8.6 percent; timber, 19.3 percent; motor vehicles, 20 percent; coal, 44.2 percent; and nonferrous metals, 32.3 percent.

The minister revealed that next year will witness a further cut in the proportion of mandatory planned distribution. Rolled steel will show a decrease of 25.9 percent, nonferrous metals of copper, aluminum and zinc will be cut 16.5 percent, timber 45.8 percent and cement 27 percent.

Mandatory plans for 11 varieties of goods, including sulphuric acid, soda ash and caustic soda, will be canceled.

By the end of this year, nearly 60,000 markets of goods will have been established across the country, an increase of 20 percent over last year. A multi-layer market network of capital goods has come into shape.

The growth of the market economy has improved the country's price situation for capital goods, which is drawing nearer to international price standards.

The average price rise of capital goods in the domestic market this year stood at 12.5 percent. Prices for the main categories of coal, rolled steel, cement and timber increased by 20, 40, 47 and 25 percent respectively over last year, the minister said.

The experts commented, though the price rise of 16 main capital goods stood at double digits, it is within the endurance of the society.

Goods Enterprises Focus on Market Management

OW2012132592 Beijing XINHUA in English 1225
GMT 20 Dec 92

[Text] Tianjin, December 20 (XINHUA)—With further deepening of reform, China's goods enterprises have

turned basically to market management with the proportion of market shares ever increasing.

Statistics reveal the proportion of market purchase in the January-November period this year rose to 86.2 compared to 79.2 percent in the corresponding period last year.

The proportion of extra-plan purchase of capital goods has also risen to 89.9 percent from last year's 84.2 percent.

The state's goods production has taken a turn for the better this year with an average output increase of 12 percent over last year in terms of 16 main varieties of capital goods, the highest in recent years. Rolled steel increased by 17.2 percent, copper was up 16.3 percent, aluminum up 11.1 percent and cement up 19.1 percent.

But with the constant speedy growth of the national economy, the supply of domestic goods resources still falls short of the market demands, straining China's goods supply.

Liu Suinian, minister of materials and equipment, said the domestic demands for 16 main varieties of capital goods increased by 16 percent over last year, the fastest in recent years.

Experts analyzed that the most severe supply problem existed in rolled steel, copper, aluminum, timber and high-standard cement.

Liu expected that next year will witness a further increase in the domestic demands for these goods which can only be eased through the means of import, better utilization of storage and control of demands.

Inspection To Safeguard State Property

OW2012095292 Beijing XINHUA in English 0855
GMT 20 Dec 92

[Text] Beijing, December 20 (XINHUA)—A senior Chinese official said here today that China will conduct a nationwide inspection on the Sino-foreign ventures during the first three months of next year to make sure that the state-owned property were properly evaluated.

According to Director Tang Bingwu of the National Administrative Bureau of the State Owned Property, the amount of state property lost was "appalling" in joint ventures, because a lot of state enterprises tended to avoid having their assets appraised or deliberately pressed down the value of their property when they transformed their firms into joint ventures.

The latest statistics show, of the joint ventures approved by the state this year, only about 1,000 went through assets appraisal, representing less than ten percent of the total that should have their assets evaluated.

Tang attributed the problems to some local authorities' eagerness to establish more joint ventures.

To this end, some of them even set up ceilings for the value of the state property being appraised, according to Tang.

"These problems, if left unaddressed, would lead to disastrous consequences," said Tang, hoping the upcoming inspection would help to safeguard the state property.

The inspection will be carried out in light with the state regulation on the management of the state property evaluation issued and took effect in November of 1991.

The state property administrative at all levels and relevant government departments are responsible for redressing problems found out during the inspection. "Cases which have incurred huge loss of state property will be brought to the court and punished according to law," said Tang.

China started the service of property assets appraisal in 1989. So far, the country has about 400 appraisal firms with nearly 10,000 professionals.

In next two or three years, according to Tang, China will step up efforts to produce quality personnel. These include setting up a national training center, starting departments specializing in property appraisal in colleges and increasing exchanges and cooperation with noted international firms.

Regional Heads 'Ignoring' Calls To Cool Economy

HK2112031392 Hong Kong SOUTH CHINA
MORNING POST in English 21 Dec 92 p 11

[By Willy Wo-lap Lam]

[Text] Officials and managers in the country's most dynamic region are ignoring new calls by top leaders to cool down the economy.

Cadres and entrepreneurs in the Pearl River Delta are also taking advantage of the country's application to join the General Agreement on Tariffs and Trade (GATT) to demand unprecedented levels of autonomy.

They are telling Beijing the fast-booming region must have more economic freedom to beat the foreign competition that will come with GATT membership.

Although party General-Secretary Mr Jiang Zemin issued fresh warnings over the weekend against overheating the economy, central planning-oriented cadres will find it difficult to rein in the expansion plans of cities in the delta.

In Shunde, which has enjoyed an industrial growth rate of 23 percent in the past few years, cadres are trying to beat the goal, laid down by patriarch Mr Deng Xiaoping in January, that the estuary region become Asia's fifth "dragon" within 20 years.

"We have not been told (by central authorities) to compress the scale of development. Nor have we been having difficulty getting credit," said vice-mayor Mr Liu Shiyi.

Like other leaders in the Pearl River region, Mr Liu cited Mr Deng's dictum that, if it was based on efficiency, a high growth rate was desirable.

Cities in the delta are justifying mammoth investments on the grounds that they need to achieve economy of scale.

For example, cities including Shunde, Nanhai and Jiangmen have laid down plans to build car plants.

"After joining GATT, China will face tremendous competition from Japanese and east European cars," said the vice-director of the Office of the Jiangmen New High-Technology Zone, Mr Zhang Chengyao, "For a car factory to be competitive, it needs to be turning out 300,000 units a year."

Entrepreneurs in the Delta are lobbying Beijing for more autonomy in publicly floating their stocks.

Five enterprises in Nanhai have sold 290 million yuan (HK\$381.35 million) worth of stocks "internally," meaning only to staff in these units.

However, municipal leaders hope the securities can soon be listed on the Shenzhen Stock Exchange.

The local chief of the Chinese People's Political Consultative Conference, Mr Yuan Naixuan, said: "Beijing is being cautious in giving listing permits in order not to hurt the interests of investors. However, a black market in stocks already exists in Nanhai."

Leaders and businessmen are also demanding more freedom to travel abroad. Despite the fact that some of their concerns have sales of over 100 million yuan, managers are subjected to severe travel restrictions.

At the Guangdong Pearl River Refrigerator Factory in Shunde, which Mr Deng visited earlier this year, only two senior managers have permits to visit Hong Kong whenever they like.

"Applications by entrepreneurs to go to Hong Kong and other countries have to go through Guangdong and sometimes Beijing authorities," one manager said.

Developments in Eight Bonded Zones Reported

HK2112064592 Beijing RENMIN RIBAO in Chinese 7
Dec 92 p 2

[XINHUA report exclusively for RENMIN RIBAO by XINHUA reporters Li Yuanpu (2621 0337 3184) and Li Jianchang (2698 1696 2490): "Eight Bonded Zones To Play Their Role in Promoting Internationalization of the Coastal Economy"]

[Text] In the period just over a year since Tianjin Port Bonded Zone took the lead in inviting investments, China's bonded zones have attracted extensive attention from domestic and international economic circles and media.

Some members of the economic and trade circles and persons in charge of local governments believe that the experimental establishment of bonded zones in the 1990's will upgrade the opening up process in the coastal areas to a higher level, and will become the new starting point for economic internationalization of these areas.

So far, the State Council has approved the establishment of eight bonded zones along China's coastal line. They are: Dalian, Tianjin Port, Shanghai's Waigaoqiao, Jiangsu's Zhangjiagang, Guangzhou, Shenzhen's Shatoujiao, Shenzhen's Futian, and Haikou. Also, efforts are being stepped up to make preparations for the establishment of three bonded zones in Qingdao, Ningbo, and Mawei.

The three bonded zones in Dalian, Tianjin, and Shanghai, which were the first to invite investments, have introduced over 600 projects, involving a total investment of over \$1 billion, over half of which is foreign investment. The land in the starter area, covering 1.2 square km, of Tianjin Port Bonded Zone was all leased out in less than a year, introducing 400 projects with a total investment reaching \$500 million. To satisfy the businessmen who have swarmed to this bonded zone to make investments, the State Council recently ratified its plan to expand its territory by another 3.8 square km. For the bonded zones in Guangzhou and Zhangjiagang, over 100 foreign investors expressed their investment intent even before the former started inviting investments. Some world-level business groups and firms, including Japan's C. Itoh, Mitsui and Company Ltd., Victor Company of Japan Ltd., and Hong Kong's New World Group, have entered Tianjin, Shanghai, and Dalian bonded zones to do business.

Standardized Securities Market Planned

OW1812135192 Beijing XINHUA in English 1346
GMT 18 Dec 92

[Text] Beijing, December 18 (XINHUA)—China is expected to form a set of rules to guide stock issuing and trading across the country.

"The regulations will spell out do's and don'ts relating to stock issuing methods and their promulgation means the two official stock exchanges in Shenzhen and Shanghai will finally have a unified set of rules guiding market operation," said He Jiawu, an official of the Securities Committee Under the State Council (SCUSC), China's top securities regulatory body.

According to He Jiawu, the regulations will be published and come into effect some time early next year.

He said experts are working on a dozen laws and regulations in a bid to bring China's young securities industry on track. These include regulations on the management of securities institutions, guidelines for securities brokers and also the securities law.

Apart from drafting laws, the SCUSC's main tasks include mapping out policies guiding China's securities industry, working out plans for the development of the securities market.

"We are also responsible for looking into serious violations of the law and dealing with stock fraud," said he.

The SCUSC official said that SCUSC might unveil a master plan next year for the development of China's securities market which also embraces periodic development programs.

He said that a lot of practical work remains to be done by the China Securities Supervision and Administration Committee (CSSAC), which is comprised of about one hundred experts in finance, law, accounting, auditing and property appraisal.

The CSSAC will directly supervise market operation as well as the conduct of people involved in securities trading according to relevant laws and regulations, according to he.

To better play its supervisory role, he said, cssac is considering setting up representative offices in cities actively involved in securities trading and serving as regional finance centers such as Shenzhen, Shanghai, Wuhan and Tianjin "when conditions are ripe."

However, both committees claimed that they will not interfere directly with the daily operation of the market. "The end of our supervision and administration is to ensure China's securities market is just, fair and open," said he.

Government To Practice Flexible Wage Plan

OW2012122992 Beijing XINHUA Domestic Service in
Chinese 0754 GMT 17 Dec 92

[By reporter Jiang Jun (1203 6511)]

[Text] Beijing, 17 Dec (XINHUA)—Beginning in 1993, the Labor Ministry will no longer issue mandatory planning quotas, such as the number of staff members and workers, total wages, and enrollment of technical schools. All localities will carry out a flexible wage plan.

Labor Minister Ruan Chongwu made this announcement at a recent meeting attended by directors of labor bureaus and departments across the country. He said: Beginning next year, the Labor Ministry will only control the total wage amount of enterprises in all localities, in light of an overall input-output economic efficiency index. By controlling the total wage amount, it can exert an indirect control on the number of staff members and workers. The planning and evaluation methods will be

changed from the past system, in which the ministry "sets definite quotas at the beginning of the year only to be forced to acknowledge whatever the outcome is at the end of the year," to a dynamic control system, which is geared to the practical social and economic conditions of each region.

Ruan Chongwu said: Under the new plan, all localities can adopt their own wage control methods by taking into consideration their local conditions. The first method is the one which links the total wage amount to economic performance. This method is suitable for a majority of state-owned enterprises. The second method is contracted wage amount. Enterprises using this method can increase the number of employees, but they cannot increase the total wage amount. They can also cut down the number of employees while maintaining the total wage amount. This method is suitable for enterprises that exert a social impact but, owing to various objective reasons, have not yet carried out the system of linking the wage amount with economic efficiency. A third method is suitable for enterprises that have experienced long-term business losses, and lack self-control and self-improvement, for these enterprises, the state will set the total wage amount for them. A fourth method will allow enterprises to set the total wage amount by themselves, while the Labor Ministry will examine the scope of wage increases based on their economic efficiency and labor productivity. This method will only apply to a small number of enterprises which are equipped with a sound self-control mechanism, such as enterprises with a stock-holding system or enterprises that adopt the management system of foreign-funded companies.

Ruan Chongwu said: No matter which method is adopted, the important rule to follow is this: The growth of the total wage amount should be lower than that of economic efficiency. The increase of average per capita wages should be lower than that of labor productivity. As far as the wage distribution is concerned, enterprises have their own decisionmaking power. The Ministry of Labor can only provide advice and counselling services to them. It will not exceed its functions and meddle in enterprises' affairs.

Trade Firm To Test World Financial Markets

HK2012064092 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 20-26 Dec 92 p 1

[By Wang Yong: "Sinochem Set To Seek Funds"]

[Text] China's largest foreign trade company is poised to grow further by becoming the first Chinese trading company to issue commercial paper on world financial markets.

The company, Sinochem, is now preparing to issue bonds and notes—the company won't say how much—in Western markets, a senior officer of the company told Business Weekly.

Zheng Dunxun, Chief Executive Officer and President of the China National Chemicals Import and Export Corporation (Sinochem), said he is confident that the first issue of commercial paper by a Chinese trading company will be well received.

"I believe the issue will be a success because of the power of Sinochem," he said.

The company dominates the bulk of China's trade of oil and a number of chemical products.

Total business volume in 1991 hit \$12.1 billion, of which \$4.15 billion came from exports and \$4.3 billion from imports. The remainder was generated by the company's business overseas, which includes finance, transport, real estate and tourism.

Sinochem's import and export volume last year accounted for more than 6 percent of China's total trade volume.

Zheng said, "Sinochem will become a trading-industrial-financial conglomerate within the next five years or more."

At present, many Chinese trading companies are facing rigid financial control by banks and the lack of manufacturing bases.

Moreover, few foreign trading companies have been allowed to deal in domestic trade.

"The envisioned Sinochem, however, would have much more freedom in these regards," Zheng said.

He said Sinochem is to set up two joint ventures with the country's industrial sector.

One is the China United Petrochemical Corporation, which is a cooperative venture between Sinochem and the China Petrochemical Corporation. One of its main businesses would be to establish or renovate oil refineries overseas.

The other is the China United Oil Corporation, which involves Sinochem and the China Oil and Natural Gas Corporation. Its main function will be to develop oil resources both at home and abroad, officials said.

Zheng said the two new ventures will start formal operation early next year.

Besides this, Sinochem is investing in some large industrial projects including wharfs and refineries.

Some of the projects are being built in China with overseas investment, Zheng said. But he declined to identify the foreign partners.

His company is also gearing up investment in the Asia-Pacific region, which he predicted will be the biggest magnet for his company's business abroad.

Zheng said he expects Sinochem's overseas business this year will enjoy growth.

"Our businesses in science and technology development, finance, transport, insurance and real estate will get a major boost," he said.

But he admitted that the company's foreign trade volume may level off because of the decentralization of foreign trade.

"The market economy has allowed China's trading companies to cross into each other's territory," Zheng said.

But he insisted that capital goods like oil and fertilizer should be handled mainly through Sinochem, which can act as a proxy agent for domestic customers.

Three Gorges 'Not Going To Displace Residents'

OW1912090692 Beijing XINHUA in English 0850
GMT 19 Dec 92

[Text] Beijing, December 19 (XINHUA)—China is not going to displace residents from the massive Three Gorges project to farther northwest or northeast as the surrounding area has sufficient room to hold them, a senior official in charge of resettlement work for the world's largest hydroelectric project said here today.

Li Boning, director of the Economic Development Office for the Three Gorges district under the State Council, said in an exclusive interview with XINHUA that at least 720,000 local residents living in the reservoir area have to be resettled if the project's 185-meter dam is built across the Yangtze river.

Of the total population to be displaced, Li said, urban dwellers make up 390,000. The urban employees, when resettled in the surrounding areas, would continue in the same jobs. Work would be needed to be created only for their 330,000 rural counterparts.

Li had held the post as a standing vice-minister of electric power and water resources from 1977 to 1984. He was authorized by the State Council to organize the Three Gorges province afterwards. Later, he was leading the three gorges economic development office, a leading body in charge of resettlement for the Three Gorges project, since 1988 when the State Council gave up plans to found the Three Gorges province.

He said some eight years' of resettlement experiments in the reservoir area have proved that the surrounding area has great potential and environmental conditions to take so many emigrants despite difficulties.

According to the expert, some 24,000 ha of farmland and 4,600 ha of citrus orchards will be affected by inundation in 19 counties in the provinces of Sichuan and Hubei if the reservoir's normal pool level is set at 175 m [meters].

However, he said, verified surveys and investigations have shown that the surrounding area has a total of 1.4 million ha of uncultivated or hillside land. About 40 percent of the existing farmland is low-yielding.

Li said the central government plans to help develop 0.03 ha of high-yielding land and 0.06 ha of citrus orchards per head for the 330,000 rural residents to be displaced, using state allocations. He believes that emigrants will have ample food and clothing.

To find an appropriate way to resettle the residents of the reservoir area, the Chinese Government has allocated 20 million yuan annually to carry on pilot projects since 1985. The experiments have further proved that all the residents can be re-placed in the surrounding area.

The local residents welcome the move, and many are anxious to be resettled, he said.

In spite of the successes in the resettlement experiment, Li admitted that the resettlement of over one million people during 20 years of preparation and construction is an arduous and complicated task.

To help the project, some provinces and autonomous regions have forged close economic ties with the reservoir area. The Xinjiang Uygur Autonomous Region and the provinces of Heilongjiang And Shandong have reported to the State Council that they are willing to take some of the emigrants.

However, the relevant government departments, after careful studies, hold that the faraway resettlement of three gorges residents would be costly and that traditionally, Chinese farmers do not like to leave their native places. Moreover, experience over the past decades shows that remote resettlement would result in some after-effects.

Turning to the future work, Li said, preparation resettlement of the 10,000 residents of the dam site is in full swing. Large-scale resettlement is planned for next year and the year after.

On the latest developments of the massive hydroelectric project, the official said a preparatory group was formed in the state council headed by premier Li Peng earlier this year and a construction committee consisting of high-ranking officials will be founded very soon to lead the construction work. Design and construction preparations are well under way in Beijing and Hubei, he said.

East Region

Anhui Experiences Record Industrial Growth

OW2112110692 Beijing XINHUA in English 1047 GMT 21 Dec 92

[Text] Hefei, December 21 (XINHUA)—Anhui Province in east China has experienced a record increase in industrial development this year.

In the January-November period the output value of the province's state industrial enterprises increased by 13 percent, sales income by 18 percent, pre-tax profits by 30 percent and realized profits by 102 percent.

According to an official with the provincial economic planning committee, a drive was launched to cut deficits, reduce stockpiles and expand technological development. Total investment in technical upgrading was nearly one billion yuan more than that for last year.

To push more enterprises into the competitive market, the province implemented management reforms in 717 industrial and communication enterprises.

Fujian Encourages Rural Enterprises Development

HK1812143492 Fuzhou Fujian People's Radio Network in Mandarin 1100 GMT 12 Dec 92

[Text] The Several Ideas on Expediting the Development of Tertiary Industry, formulated by the provincial party committee and government, were announced and implemented today. (Li Ziqiang), the provincial government news spokesman, said at a news conference that this is a major measure on the part of the provincial party committee and government to implement the spirit of the 14th party congress and to promote prosperity and development of tertiary industry in our province.

The spokesman said: Our province's tertiary industry has a poor foundation. Not only is the total quantity inadequate, the service function weak, and the structure irrational, but the levels of professionalism and collectivization are low as well, and the individualization phenomenon is serious. This is not suited to the national economy's development needs or the requirements of the people's daily lives. It is an major factor restraining economic development in our province.

According to the introduction, the provincial party committee and government's Several Ideas on Expediting the Development of Tertiary Industry has, on the basis of serious study and repeated discussion, put forward the goal of expediting the development of tertiary industry in our province. Based on the three-step development strategy to develop the national economy, the goal proposed that, in the next 30 years, the tertiary industry growth rate in our province should be markedly faster than that of the primary and secondary industries. The proportion of the tertiary industry growth value within GNP should increase by more than 1 percent every year. In 1995, it should be approximately 35 percent; by 2000,

it should be 40 percent or more; and by 2020, it should reach 60 percent, which is close to the level of a moderately developed country. The number of employees in tertiary industry as part of the total number of professionals in society should rise from 21 percent in 1991 to 25 percent in 1995, to 30 percent in 2000, and to 50 percent in 2020. According to these goals, in the future, our province's tertiary industry should make efforts to develop those trades that require small amounts of investment, have quick results, and are closely related to the export-oriented economy and the development of the market system. In particular, it is necessary to make extra efforts to develop communications, transport, posts and telecommunications, urban infrastructure, and other basic industries; to expedite the development of pillar industries such as commerce, foreign trade, and insurance; and to actively develop science, technology, educational undertaking, and newly emerging industries such as information, consultation, tourism, real estate, and technical services.

It is necessary to vigorously develop services for agriculture before, during, and after production, as well as the trades which serve to upgrade the quality of peasants and their quality of life. In the Several Ideas on Expediting the Development of Tertiary Industry adopted by the provincial party committee and government, the proposed policies and measures include mobilizing all the strength of the society, encouraging foreign investors to establish and run tertiary industry, and encouraging administrative organs to change functions this winter and transform themselves into economic entities. This includes allowing the cadres and workers who have 30 years of service and are 55 years of age, or who have 20 years of service and are 50 years of age, to keep their posts without pay or retire ahead of schedule.

Industrialization is the direction to follow to build a vigorous self-developing mechanism for tertiary industry. It is necessary to raise funds by various channels, increase input for tertiary industry, and, based on the law of value, straighten out prices and lift price control and gradually solve the problem of comparatively low prices in some trades within the tertiary industry category. It is necessary to practice preferential tax policy, support the development of tertiary industry, reform the system of personnel and labor, and enable enterprises of tertiary industry to have decisionmaking powers in hiring workers and distribution.

The provincial party committee and government demanded that various localities earnestly strengthen leadership, unify understanding, improve planning, make clever arrangements, and grasp implementation, so as to enable our province's tertiary industry to develop rapidly.

Shandong Governor on Environmental Protection

SK2012065792 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 16 Dec 92

[Text] At the provincial work conference on environment protection, Governor Zhao Zhihao delivered a

speech on 16 December, in which he stressed: Environment protection and economic development are related to the future and fate of human beings. The people's livelihood requires economic development and environment protection must depend on a material foundation and guarantee resulted from economic development. Environment protection also has a bearing on upgrading the quality of people's livelihood. Therefore, both economic development and environment protection must achieve development in a harmonious way and suit each other.

Zhao Zhihao said: Since the reform and opening up, the province's economy and various social undertakings have achieved great development and their comprehensive overall strength has been improved to a higher level. The adaptability between economic development and environment protection as well as the province's environment protection work have made great progress. As the province's population has shown an average increase of 12 per thousand, the consumption of energy resources has shown an average increase of 7 percent and the yearly average growth of industries has been 20 percent. Under the situation in which investments made in environment protection are limited, the province has avoided the phenomenon of rapidly getting worse in environment pollution along with quadrupling the economic plan. Environmental pollution has been brought under control to a certain extent and the environment quality of some localities has taken a turn for the better. This is the very amazing achievement that should be fully acknowledged by us.

Zhao Zhihao pointed out: At the same time, we should also be sober enough to note the seriousness of environment problems and the arduousness of environment protection work. Judging from the situation as a whole, the province's environment quality is not high and the environment pollution in some localities is quite prominent. Particularly, the shortage of water sources and the intensity of water pollution have restricted our province's economic development. This must bring the great attention of leading personnel at all levels and of various departments.

Zhao Zhihao emphatically pointed out: Now, we have defined the targets of improving the province's economy to a new level in the coming 20 years and having the province's overall economic balance catch up with the level of moderate developed countries in the world. However, in the course of realizing the grand targets, the environment protection work should not be weakened but should be enhanced in a big way.

Shandong Governor at Shareholding System Start

SK2112031292 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 19 Dec 92

[Text] Two major state-run retail enterprises and limited-liability companies—Jinan City Department Store and Jinan City People's Market—were ceremoniously established and put into practical operation in Jinan on

19 December. Governor Zhao Zhihao and Vice Governor Guo Changcai attended the inaugural meeting and unveiled the boards for these two companies.

The Jinan City Department Store and the People's Market are two of the 50 large enterprises defined by the province to try out the shareholding system. Through several months' positive preparations, the money paid for shares, which was raised by these two companies, have been basically put in place, and these two companies have both elected their boards of directors and boards of supervisors according to legal procedures.

Vice Governor Guo Changcai said: Jinan City Department Store and People's Market's lead in experimenting with the shareholding system has set a good example for reforming the province's commercial system. During the foreseeable future, the province's experiments for the shareholding system should be focused on vigorously promoting the development of limited-responsibility companies. In the course of perfecting rules and regulations and strengthening workers' sense of running risks together with their enterprises, we should shift even more state-run enterprises that meet standards, to limited-liability companies, and should accelerate the implementation of the shareholding system by spreading these enterprises' experiences. We should make great efforts to make all of the 50 large enterprises covered by the province's first group to try out the shareholding system, begin operation by the end of this year, and should select as quickly as possible the second group of enterprises trying out the shareholding system. While attending to trying out the shareholding system, various cities, districts, and counties should also go all out to encourage township-, town-, and village-run enterprises to carry out the shareholding cooperative system in order to create a good environment for spreading the shareholding system.

Secretary Chairs Shanghai Party Congress Meeting

OW1812142292 Shanghai People's Radio Network in
Mandarin 2300 GMT 17 Dec 92

[From the "Morning News" program]

[Text] The sixth municipal party congress presidium held its second meeting on the afternoon of 16 December. Comrade Wu Bangguo presided. Comrade Chen Tiedi made a report on the process of recommending candidates for members and alternate members of the municipal party committee and members of the municipal discipline inspection commission. The meeting approved, by a show of hands, the forwarding of namelists of preliminary candidates to various delegations for a preliminary vote. The meeting also approved election procedures for the current congress; the namelist for the general ballot scrutineer and other scrutineers in the preliminary elections; and a decision to submit to the delegations for discussion three separate draft resolutions on the municipal party committee

report, the municipal advisory commission report, and the municipal discipline inspection commission report.

Wu Bangguo Reelected Secretary

OW2012123992 Shanghai People's Radio Network in Mandarin 1000 GMT 20 Dec 92

[From the "News and Weather" program]

[Text] The Sixth Shanghai Municipal CPC Committee held its first plenary meeting this afternoon. The following on-the-spot report has just been filed by our reporter (Zhou Baogong) from the meeting:

[Begin (Zhou) recording] The Sixth Shanghai Municipal CPC Committee held its first plenary meeting this afternoon. Present were 47 members and 10 alternate members of the municipal party committee. Comrade Wu Bangguo presided over the meeting. The plenary meeting elected standing committee members and secretary and deputy secretaries of the municipal party committee.

The members of the Sixth Shanghai Municipal CPC Committee Standing Committee are Wu Bangguo, Huang Ju, Chen Zhili, Wang Liping, Chen Liangyu, Chen Tiedi, Zhao Qizheng, Xu Kuangdi, Luo Shiqian, Jin Binghua, Zhang Huixin, Zhu Daren, and Xu Wenyi.

The secretary of the Sixth Shanghai Municipal CPC Committee is Wu Bangguo, and its deputy secretaries are Huang Ju, Chen Zhili, Wang Liping, and Chen Liangyu.

The plenary meeting approved the results of an election held by the first meeting of the municipal discipline-inspection committee. Zhang Huixin is deputy secretary [fu shu ji, as heard] of the municipal discipline inspection committee, while Han Kunlin and (Sun Weiguo) are its deputy secretaries. The municipal discipline-inspection committee standing committee members are Zhang Huixin, Han Kunlin, (Sun Weiguo), (Zhuang Guoqing), (Zhang Jingxin), (Hong Linzhen) (female), and (Shen Hongguang).

After the plenary meeting held the election, Wu Bangguo, member of the CPC Central Committee Political Bureau and secretary of the Shanghai Municipal CPC Committee, delivered an important speech.

He discussed seven points with respect to work in 1993—(1) Thoroughly study and seriously implement the guidelines of the 14th CPC National Congress; (2) strive to attain 1993 economic objectives; (3) continue to deepen economic restructuring; (4) open wider to the outside world; (5) seriously step up the building of socialist spiritual civilization; (6) strengthen party leadership and strive to enhance the fighting power of party organizations; and (7) be concerned about the people's livelihood and maintain social stability. [end recording]

Shanghai Leases Land to Domestic Enterprise for First Time

OW2112114892 Beijing XINHUA in English 1054 GMT 21 Dec 92

[Text] Shanghai, December 21 (XINHUA)—Shanghai has sold land use rights for the first time to a domestic enterprise.

Covering 21,900 sq m, the land will be used for 54,000 sq m floor space of high quality housing in the Lujiazui financial trade zone in the New Pudong development area.

The Shanghai Land Administration invited bids from domestic enterprises which evoked competition from over 30 real estate development and management enterprises.

The Shanghai General Real Estate Development Company won 70-year lease rights to the land with an investment of 81.44 million yuan (about 14 million U.S. dollars).

Central-South Region

Guangdong Secretary at Police Ranking Meeting

OW1912132392 Beijing XINHUA Domestic Service in Chinese 1654 GMT 18 Dec 92

[By reporter Zhang Cailong (1727 2088 7893) and correspondent Luo Bingyi (5012 3521 4135)]

[Text] Guangzhou, 18 Dec (XINHUA)—The Guangdong Provincial People's Government held a ceremony today to confer, for the first time, the title of Third Grade Police Supervisor on 60 police cadres.

Xie Fei, member of the CPC Central Committee Political Bureau and secretary of the provincial party committee, and other responsible individuals of the province and Guangzhou City joined some 1,000 representatives of public security cadres and policemen at the ceremony.

Chen Shaoji, director of the provincial public security department, read a decree issued by Public Security Minister Tao Siju on conferring the title on the 60 police cadres coming from the provincial public security department; the public security organs of Guangzhou, Shenzhen, and Zhuhai Cities; and the Guangdong Provincial Bureaus of Reform Through Labor and Reeducation Through Labor.

Governor Zhu Senlin spoke at the meeting. He urged public security cadres and policemen to live up to the high expectations of the state and the people and contribute more to safeguarding Guangdong's social stability and economic development.

Guangdong Census Shows Urban Population Increase

HK2112123092 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 14 Dec 92

[Text] The urbanization of Guangdong's population has entered a relatively rapid phase. As revealed by information from Guangdong Province's Fourth Census, in 1990, the province's urban population totaled 23,093,481 people, 36.76 percent of the province's population. The proportion of urban population rose 17.48 percent over 1982, an average increase of 2.19 percent annually. Since the start of this year, the pace of urbanization in our province has further increased.

According to analyses by the relevant departments, if, in the next 10-20 years the urban population continues to increase at a similar rate as witnessed over the last few years then, in accordance with the law which holds that the later industrialization begins the faster the progress of population urbanization, by 2000, Guangdong's urbanized population will account for over 45 percent of the province's total population. In the near future, the floating population in the urban areas will continue to increase, and the difference in the level of urbanization between districts will also increase. Concerned departments proposed that in the future we should pay more attention to policy guidance, improve the investment environment in the northwestern, southwestern, and northern parts of the province, so that localities throughout the province can enjoy synchronous and coordinated social and economic development and population urbanization.

Guangdong Township, Town Enterprises Develop

HK2112045792 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 12 Dec 92

[Text] The provincial meeting of managers of 100-million-yuan enterprises and on work in township and town enterprises was held in Guangzhou today. This reporter learned from the meeting that this year, our province's township and town enterprises have quickened development and various economic indices have greatly increased.

According to the meeting, the total income of township and town enterprises in our province this year is expected to top 137.1 billion yuan, a 35.88 percent increase over the same period last year; total output value will reach 128.1 billion yuan, a 37.86 percent increase over the same period last year; and it is expected that they will increase the state's revenue by 4.048 billion yuan for the year.

This year, our province's township and town enterprises have shown a tendency of large-scale investment and development in the export-oriented and high-grade direction. Among the 159 new projects launched by Jiangmen City this year, 105 were export-oriented projects; at the same time, the period of cooperation with foreign businessmen has been extended by 10 to 20 years

on the original basis of 35 years. All these indicate that foreign businessmen are very confident in the economic development of the township and town enterprises in our province, and that the development momentum is picking up.

Construction Begins on Hainan Free Trade Zone

HK2012081092 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 20-26 Dec 92 p 5

[By Huang Yiming: "Nation's Ninth Free Trade Zone Built To Spur Hainan Growth"]

[Text] Haikou—Construction has started on China's ninth free trade zone here in this capital city of Hainan Province.

The zone, located in the Jinpan Industrial Area of the city, occupies 1.93 square kilometres.

Mao Zhijun, vice-governor of the province, told Business Weekly that the land has been cleared and feasibility studies and development plans have been initiated.

The free trade zone will go into official operation from April 2, next year, Mao said.

Set up with the approval of the State Council on October 21, the zone will mainly promote bonded warehousing, transit trade, manufacturing of technology-intensive products for export, export processing, banking and insurance.

The free trade zone aims to become an international trade area with a favourable investment environment and advanced services for trade, finance and insurance within five years. It intends to become one of the country's main trade ports.

Mao said 120 million yuan (\$20 million), the first batch of investment for the capital construction of the free trade zone, has been secured.

Besides this free trade zone, China has approved since last April seven similar ones, including zones in Waigaoqiao in Shanghai; Dalian, Liaoning Province; Tianjin; Zhangjiagang, Jiangsu Province; Guangzhou, Guangdong Province; Futian and Shatoujiao in the Shenzhen Special Economic Zone; and Ningbo in Zhejiang Province.

Hainan Secretary Attends Bonded Zone Ceremony

HK2112044992 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 12 Dec 92

[Excerpt] Yesterday morning, 140 large bulldozers and transport trucks drove into the southwestern part of Haikou City's (Jincheng) Industrial Development Zone, and the foundation stone-laying ceremony for Haikou Bonded Zone, which is situated here, was solemnly performed.

Leaders of the province, Haikou, military units stationed in Hainan, and the armed police, including Deng Hongxun [provincial party secretary], Liu Jianfeng [governor], Xiao Xuchu, Chen Yuyi, Cao Wenhua, Mao Zhijun, Hu Kai, Gong Pingqiu, Zhang Qiufa, Zhou Chunshan, Wang Houhong, and Zeng Haorong, and some 1,000 representatives of various units in the province and city, customs department, finance department, and insurance circles, attended the foundation stone-laying ceremony. [passage omitted]

Henan Party Plenary Session on Private Economy

HK2112123492 Zhengzhou Henan People's Radio Network in Mandarin 1030 GMT 13 Dec 92

[Text] On 7 December, the Henan Provincial CPC Committee and People's Government promulgated the decision to further expedite the development of the individual and privately run economy.

The decision features four breakthroughs concerning further decontrolling, enlivening, and expediting the development of the individual and private economy: 1. easing restrictions on the operation scope; 2. developing a multistyle operational mode; 3. extending the number of people employed in the economy; and 4. optimizing the operational environment.

In the decision, the provincial party committee and government demanded that party committees and governments at all levels and concerned departments must continually emancipate their minds and stop the swing toward either leftism or rightism in the practice of deepening reform and developing the economy, while actively supporting the development of the individual and privately run economy. They must strengthen leadership over associations of individual laborers' and privately run enterprises' at all levels; strengthen supervision and management on individual industrial and commercial operators and privately run enterprises; continually give them penetrating ideological and political education and education in the legal system and professional ethics; and educate them into loving the Communist Party, socialism, and Henan and operating by the law, paying required taxes, and gaining wealth through hard work. They must continually sum up experiences, cite advanced elements, promote healthy development of our province's individual and privately run economy, and contribute to Henan's economic reinvigoration.

Hubei Youth Congress Ends, Committee Elected

HK2112042592 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 13 Dec 92

[Text] The three-day Ninth Hubei Provincial Communist Youth League [CYL] Congress concluded this morning at (Hongshan) Hall in Wuchang.

In a grand, warm, and democratic atmosphere, delegates from all over the province elected, by secret ballot, 57 Ninth Provincial CYL Committee members and 30

alternate members, and passed by a show of hands a Ninth Hubei Provincial CYL Congress resolution on the Eighth Committee's work report.

During the meeting, Li Daqiang, provincial party committee standing committee member and executive vice governor, delivered an address. He pointed out: Governments at all levels must situate themselves on the plane of consolidating state power, genuinely fulfill their duties, and create good social conditions for the CYL to launch work in an independent and self-responsible manner. They must vigorously support CYL-initiated enterprises and nonprofitmaking institutions, and grant them certain preferential policies with regard to funds, factory houses, taxation and other aspects. They must provide guarantees for consolidating CYL's social status and must not resort to such mechanic administrative means as dismantling or merging any level of CYL organizations. They must be able to perform in a down-to-earth manner certain services each year that are of immediate interest to adolescents.

The congress was one of reform, high-efficiency, unity, and pragmatism. At the meeting, the whole body of delegates conscientiously listened to provincial party Secretary Comrade Guan Guangfu's and Vice Governor Li Daqiang's speeches, and unanimously held that their speeches were full of ardent hopes for the younger generation, heartfelt feelings, sincere words, and earnest wishes, and showed the direction for further invigorating our province's CYL work and the healthy growth of the younger generation.

The meeting fully affirmed the work of the Eighth CYL Committee and held that in the past five years our province's youth movements have achieved historic development under party leadership. On the basis of conscientiously summing up the CYL's basic experiences, the meeting put forward the guiding thought for our province's work on the CYL under the new situation of reform and opening up, namely, holding high the banner of the 14th party congress, upholding the party's basic line, and striving to foster a new generation of "four have's" people in the great practice of building a socialist market economic system, and working hard for promoting Hubei's economy to a new level.

Hunan Party Secretary Tours Technology Fair

HK2112045592 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 13 Dec 92

[Excerpt] Yesterday afternoon, in the company of Tao Min, provincial science and technology commission chairman; (Jin Yigui), education commission chairman; Xiong Qingquan, provincial party secretary; Liu Fusheng, provincial people's congress chairman; Xie Xinying, vice chairman; and other comrades arrived at the provincial exhibition hall in the rain for a tour of the 1992 Hunan Provincial New Technology and Product Trade Fair.

Comrade Xiong Qingquan and others carefully scrutinized the exhibits. Before the provincial high school-organized scientific and technological achievements booth, Xiong Qingquan expressed great satisfaction at the results produced by the educational and scientific research sectors. He told the education commission person-in-charge beside him: The education commission must put together some funds for supporting school-run industries and developing high technology and strive to utilize high technology in production. [passage omitted]

Southwest Region

Sichuan's Yang Rudai Visits Hospitalized Writer

OW1712011692 Beijing XINHUA Domestic Service in Chinese 1440 GMT 14 Dec 92

[By reporter Li Can (2621 3503)]

[Excerpts] Chengdu, 14 Dec (XINHUA)—Comrade Sha Ding, renowned writer who was vice chairman of the Chinese Writers' Association and veteran fighter for the "Federation of Left-Wing Writers," died of illness after failing to respond to medical treatment at 0143 today in Chengdu, at the age of 88. [passage omitted]

While Comrade Sha Ding was hospitalized, Yang Rudai and other leading comrades visited him at the hospital.

Tibet Cadres Study Reports on Congress Guidelines

OW1912195492 Lhasa Tibet Television Network in Mandarin 1200 GMT 15 Dec 92

[Announcer read XIZANG RIBAO report; from the "Tibet News" program]

[Text] According to a XIZANG RIBAO report, the regional office for the study and propaganda of the 14th CPC National Congress guidelines and the regional party school jointly conducted a class for key cadres to study and discuss reports on the regionwide study of congress guidelines 2-12 December. The class successfully completed its study in accordance with the teaching program.

During the 10-day period, the students, based on their thorough and intensive study of the original text of the guidelines before attending the class, carried out mainly self-study, which was supplemented by classroom lectures and audio-visual lessons. Proceeding from the realities in Tibet, they seriously studied and discussed theoretical and actual problems in the region's reform, opening up to the outside world, and socialist modernization.

During the period, Comrade Danzim and Comrade (Lu Xiuzhang), respectively deputy secretary and deputy director of the regional party committee propaganda department, as well as Comrade (Ning Zhenshun), deputy president of the regional party school, visited the study class and gave lively guidance lectures.

The class was made up of 48 students who are the primary responsible persons from propaganda departments of various prefectures and cities and from various party schools, as well as leaders of counties and departments directly under regional authorities. After attending the pioneer course at the party school, they will play a great role in promoting further study, comprehension, and implementation of the 14th CPC National Congress guidelines by the cadres and people across the region.

Leaders of Tibet's Armed Police Greet Recruits

OW1812133492 Lhasa Tibet People's Radio Network in Mandarin 1430 GMT 17 Dec 92

[From the "Tibet News" program]

[Text] On 16 December, more than 1,000 recruits of the Lhasa detachment of the Tibet Autonomous Regional People's Armed Police Corps received a warm welcome from the leaders of the corps at the headquarters, shortly after setting foot on the "roof of the world."

After explaining the armed police's nature, purpose, and tasks force in his speech, Political Commissar Zhang Zhu outlined four specific requirements for the recruits to follow:

1. They should earnestly study and implement the 14th CPC National Congress guidelines. It is necessary for them to read and study the guidelines carefully and thoroughly to get a clear understanding of the contents and ways to implement them. Through their study, they should be able to understand the basic essence, have a good grasp of the basic standpoints, gain a clear idea of the basic theory, and have a clear knowledge of the basic tasks.
2. They should complete their individual transitions from being a civilian to becoming a qualified serviceman as soon as possible. After joining the military, they should be mentally prepared for hardships, as well as prepared to fulfill their obligations. It is necessary for them to display a spirit of devotion throughout their political study, military training, and all other work, as well as to strive for the successful completion of all tasks assigned by their superiors.
3. They should learn from the Tibetan people with an open mind and conscientiously implement the party's policies toward nationalities, religions, and the united work front. (?They should always) abide by laws and regulations; respect the customs of ethnic minorities; strive to do good deeds and to help solve everyday problems for the Tibetan people; and share the life, fate, and feelings of the Tibetan people.
4. They should advance and promote the glorious traditions and good work style of our party and army, and they should learn from older comrades with an open mind and carry forward and pass on their good thinking, work style, and experience.

Commander (Tan Huasheng), Deputy Political Commissar (Wu Haiming), and other leaders of the Tibet Regional People's Armed Police Corps also spoke at the welcoming ceremony.

Tibet CPPCC Standing Committee Meeting Opens

OW2012064492 Lhasa Tibet People's Radio Network in Mandarin 1430 GMT 17 Dec 92

[By station reporters Mi Ma and Wang Qing; from the "Tibet News" program]

[Text] The 12th meeting of the Standing Committee of the Fifth Tibet Autonomous Regional Committee of the Chinese People's Political Consultative Conference [CPPCC] opened in Lhasa 17 December. Chairman Raidi; Vice Chairmen Pagbalha Geleg Namgyai, Zheng Ying, Samding Doje Pamo, Lhalu Cewang Doje, Huokang Suolang Bianba, Tangmai Gongjue Baimu, Gonbasar Tubdanjigzha, Qaba Gaisang Wangdui, Cedain Zhoima, and Duojizha Renzengqinmo Jiangbailuosang; as well as committee Secretary General (Xu Hongsen) attended the meeting. Tibetan members of the CPPCC National Committee as well as responsible comrades from the United Front Work Department of the regional party committee, Tibet Branch of the Buddhist Association of China, and various prefectural and city CPPCC committees were invited to the meeting as observers.

Raidi, chairman of the regional CPPCC committee, presided over and addressed the meeting. He said: This standing committee meeting is convened in the excellent circumstances created by the continuing earnest study and implementation of the guidelines of the 14th CPC National Congress by people of various nationalities in the region. The main tasks of this meeting are to make an in-depth study of the 14th CPC National Congress guidelines; relay and implement the guidelines of the 21st meeting of the Seventh CPPCC National Committee Standing Committee; adopt a resolution on studying and implementing the 14th CPC National Congress guidelines; discuss and adopt in principle a standing committee work report to be submitted to the first session of the sixth regional CPPCC committee; adopt through consultations the membership list of the Sixth Tibet Autonomous Regional CPPCC Committee; and determine the date for convening the first session of the sixth regional CPPCC committee.

At the first plenum on 17 December, members of the standing committee approved by acclamation the meeting's draft agenda. Secretary General Xu Hongsen relayed the guidelines of the 21st meeting of the Seventh CPPCC National Committee Standing Committee.

Yunnan Police Cited for Cracking Drug Syndicate

HK2112041992 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 10 Dec 92

[Text] Yesterday, a border detachment of the Yunnan Provincial People's Armed Police Force cited advanced units and personnel with fine record of service related to operations cracking down on a major international drug syndicate on 19 July 1991.

According to an order issued by Tao Siju, minister of the Public Security Ministry on 8 June 1992, the border detachment's general command and investigation department is awarded a Citation for Merit, Third Class. Zhao Jinrong, staff officer of the police general command operational department, is awarded a Citation for Merit, Second Class. Gao Guanglun, deputy chief of the general command, is awarded a Citation for Merit, Third Class.

From 19 July to 13 September 1991, after a battle of wits and courage which lasted over two months, the Yunnan Provincial People's Armed Police Force border detachment successfully cracked a case involving a major international drug syndicate, arresting 10 drug traffickers. Of these drug traffickers, seven came from Hong Kong, one from Macao, and two from home. Some 15,507 kg of heroin, 1.44 million Hong Kong dollars, 387,000 yuan renminbi, and three mobile telephones were seized.

North Region

Personnel Changes Expected in Beijing

HK2112041792 Hong Kong MING PAO in Chinese 18 Dec 92 p 10

[Report: "More on the Reshuffle of the Beijing Leadership Stratum"]

[Text] Sources have disclosed that after he is relieved of his office at the municipal party congress, which is in session at the moment, Beijing CPC Municipal Committee Secretary Li Ximing will assume the office of vice chairman of National People's Congress Standing Committee at the municipal people's congress to be held next spring. Chen Xitong will continue holding the post of Beijing mayor, for he is needed in Beijing's bid for hosting the next Olympic Games. He will give up his seat to Li Qiyuan once the venue for the next Olympic Games is fixed.

The Beijing municipal party committee is holding a party congress at the moment, and "an election wherein candidates exceed numbers of seats" was held yesterday. Li Ximing is expected to be relieved of his office as party secretary at the congress and succeeded by Chen Xitong. It has been learned that Li will assume the office of vice chairman of the National People's Congress Standing Committee.

Sources said that Li Ximing has asked many times to be relieved of his office. His report to this municipal party congress, which advocates emancipation of the mind and struggles against "leftism," was organized and written by others. As a party secretary currently in office, he is only responsible for "reading out other people's articles."

Regarding rumors claiming that Li Ximing is to become "commander" of the Three Gorges Project, sources said that Li Ximing has firmly rejected the offer, claiming that he was "incapable of the post." Therefore, the central government has canceled this appointment and, instead, asked him to take the post of vice chairman of the National People's Congress Standing Committee. Li Ximing said "OK" to this offer.

In another development, in order to win the bid for hosting the next Olympic Games, the CPC hierarchy considers it technically better not to change the Beijing mayor for the time being. It has been decided that Chen Xitong will hold the post of Beijing mayor until next April, when the Olympic Committee decides the venue for the 2000 Olympic Games, and will then be succeeded by Beijing Vice Mayor Li Qiyang, who is now mainly responsible for procuratorial and judicial work.

Sources have also disclosed that, learning from the "lessons" of the 14th CPC Congress, this municipal party congress asked the mass media not to, without any exception, focus undue attention on personnel changes; in particular, reports on Chen Xitong and Li Ximing should be "balanced," and no partiality is allowed be shown in the quantity and quality of such reports.

Hebei Secretary Discusses Congress Candidates

SK2012115192 Shijiazhuang Hebei People's Radio
Network in Mandarin 2300 GMT 19 Dec 92

[Text] On the afternoon of 19 December, in Shijiazhuang, the provincial party committee invited responsible persons of various democratic parties and people's groups as well as nonparty patriotic figures to a meeting to democratically discuss matters relating to the candidates for the province's deputies to the Eighth National People's Congress and the candidates for the vice provincial governors' by-election.

Attending the meeting were Xing Chongzhi, secretary of the provincial party committee; Li Bingliang, deputy secretary of the provincial party committee; Chen Yujie, member of the provincial party committee standing committee; Bai Shi, vice chairman of the provincial people's congress standing committee; and Wang Zuwu, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference.

Xing Chongzhi first explained the recommended namelist of candidates. Then the responsible persons of various democratic parties and people's groups participating in the meeting took the floor. They unanimously agreed to the namelist of candidates recommended by the provincial party committee, and maintained that this

namelist was very [words indistinct] and perfect. They also offered many good ideas and suggestions.

Xing Chongzhi said: This namelist will be submitted to the presidium of the sixth session of the seventh provincial people's congress as a namelist jointly recommended by the provincial party committee and various democratic parties, people's groups, and nonparty figures. Nineteen responsible persons of democratic parties and people's groups attended the meeting.

Tianjin Urges Youths To Study Marxist Theories

SK2112061892 Tianjin People's Radio in Mandarin
1000 GMT 20 Dec 92

[Text] On the afternoon of 20 December, the municipal party committee propaganda department, the municipal party committee education commission work committee, the municipal trade union council, and the municipal Communist Youth League, jointly sponsored a forum on encouraging youths to study Marxism and Leninism.

(Liu Fangyan), member of the municipal party standing committee and chief of the leading group in charge of publicizing the ideological work under the municipal party committee, attended the forum and delivered a speech in which he pointed out: Under the new situation of reform and opening up, the broad masses of youths should study the theory of building socialism with Chinese characteristics. They should use this theory to guide their ideology, study, and work; and truly become the new successors of the generation, conforming to the four requirements.

During the forum, the representatives of collectives and individuals, including Nankai University, Normal University, the No. 5 Tianjin Harbor Affairs Company, the Zhouzhuangzi village of Bieshan township in Jixian County, and the Dazhonghua rubber plant, delivered reports on describing their experience gained in studying Marxist theories this year and their work done in organizing studies in this regard in the year.

Northeast Region

Newspaper Reveals Panic Purchase of Soybean

SK1812080692 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 17 Dec 92

[Text] The 18 December HEILONGJIANG NONGCUN BAO [HEILONGJIANG RURAL NEWSPAPER] frontpages in a prominent position a summary of readers' letters, saying that some localities have wantonly violated the policies of the provincial party committee and the provincial government by rushing to purchase as much soybean as possible. They have also infringed upon the interests of peasants, thus making peasants pour out endless grievances. This newspaper also carried Vice Governor Sun Kuiwen's written comments. It reads that those who violate the provincial

government's regulations on (?reducing purchases and decontrolling marketing) must be corrected, and no departments are allowed to extort grain from peasants for any reason.

Heilongjiang Trade Delegation Visits Russia

SK1812081892 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 17 Dec 92

[Text] The higher-level economic and trade delegation sent by Songhuajiang Prefecture left for Russia's Chita Oblast a few days ago for a visit to develop economic and trade activities. This delegation has signed an agreement with Chita city on establishing friendly ties. This delegation has also signed barter trade contracts valued at 137 million Swiss francs with Russian firms.

Heilongjiang University Sets Up High-Tech Zone

SK2112061792 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 19 Dec 92

[Text] On 19 December, Harbin city approved Harbin Industrial University's [HIU] requirement for establishing a new high-tech park.

Suo Changyou, mayor of Harbin, especially sponsored an on-the-spot work conference to speak highly of HIU's project.

He maintained: Setting up this new high-tech park will not only promote HIU to a new development stage but also enable its new high-tech achievements, numbering more than 100 every year, to produce gigantic efficiency in Harbin city.

HIU President (Yang Shiting) said at the conference: With abundant scientific and technological strength, rich reserves of skilled persons, and many scientific research findings that can bring in gigantic economic, social, and environment efficiency, HIU will possibly promote Harbin's economy to a new high if it is to set up a technological park zone enjoying preferential policies.

It was noted that this new high-tech zone will be a part of the Harbin New High-Tech Industrial Development Zone and will enjoy the same preferential policies as the Harbin New High-Tech Industrial Development Zone. This zone will basically operate according to the pattern of making science, industry, and trade a coordinate process; manufacture and develop new high-tech products according to the needs of the markets at home and abroad; develop processing industries; enliven both domestic trade and foreign trade; and speed up the transformation of scientific and technological findings into commodities.

It was revealed that with the HIU campus as a center, (Haiheng) street as the eastern tip, (Hexing) road as the western tip, (Xidazhi) street as the northern tip, and (Majiagouhe) as the southern tip, the zone occupies 117 hectares.

Liaoning Private Enterprises Develop Rapidly

SK2112064092 Shenyang Liaoning People's Radio
Network in Mandarin 2300 GMT 20 Dec 92

[Summary] Since the beginning of this year, our province's speed in developing private enterprises has obviously accelerated. To date, the province has established more than 10,000 private enterprises that are developing to become large scale and to earn high benefits. According to the statistics compiled at the end of June this year, the accumulated number of household-run and private enterprises reached 600,000 that accommodated 1.5 million people. In the first half of this year, the volume of taxes handed over to the state by the household-run and private enterprises reached 1 billion yuan which equals the total volume of taxes handed over by such enterprises in 1991. For example, the Hanwei Enterprises Group in Dalian city has assets of 90 million yuan and its annual output value reaches 60 million yuan.

Northwest Region

Xinjiang Editorial Stresses Practical Action

OW1912052292 Urumqi XINJIANG RIBAO in Chinese
4 Dec 92 pp 1,3

[Editorial: "The Important Thing Is Action"]

[Text] The Fifth Plenary Session (expanded) of the Fourth Xinjiang Autonomous Regional CPC Committee has successfully closed. The session was an extremely important meeting; it is bound to have great and far-reaching effects on Xinjiang's efforts to quicken the pace of reform and opening up and to develop a new market economic system, as well as on the historical process in which Xinjiang joins other parts of the country in enabling the people to live a more comfortable life.

The 14th CPC National Congress laid down the action program for the Chinese people to march toward the 21st century. The fifth plenary session set the goals and fundamental idea of Xinjiang's economic development in the 1990's and laid down a plan for the autonomous region's work in 1993. Now that the general principles and guidelines are set, the important tasks lying ahead of us are carrying through the guidelines set by the session, strengthening the leadership, working in a down-to-earth manner, and truthfully carrying out all the policies of reform and opening up.

The most pressing matter at the moment is for all localities and departments to carry out the session guidelines based on the goals of the autonomous region's reform, opening up, and economic development laid down by the 14th CPC National Congress and the fifth plenary session, and, in light of the respective actual situation in each locality and department, to make their own decisions; to boldly set forth their objectives, ideas, and measures; and to independently and properly organize their own work in a responsible manner. We should

soberly realize that it is impossible to narrow the gap between Xinjiang and the inner provinces if we do not make major progress. And, such progress is primarily reflected in the process of reform and opening up. Therefore, in organizing and planning their work, all localities and departments should broaden their minds, set strict requirements, and ensure that progress is made in all fields. We should carry out coordinated reforms centered on building a socialist market economic system, and not concentrate on a single reform project. We must be resolute and decisive in making reforms; once a decision is made, we must carry it through to the end. Once we are sure that something is correct, we should not be daunted in carrying it out. Even when we are not sure if something can be successfully done, we should actively experiment with it—we expect success and at the same time we allow failure. By doing so, we will give the vast numbers of cadres and the masses a free hand in conducting experiments and in exploring new spheres, thus gaining time and narrowing the gap between us and the inner provinces.

The important thing for implementing the fifth plenary session's guidelines is to take action. An ancient Chinese proverb runs, "Idle talk contributes nothing to the nation's progress; practical work makes the nation prosperous." We should neither engage in argument over whether our surname is socialism or capitalism, nor should we discuss our ideas and measures without translating them into action. Currently, Xinjiang's situation is very good. We should take advantage of this good situation to work in a down-to-earth manner and strive to make noticeable progress in the following areas: In rural areas, through implementing various policies toward rural areas, we should introduce the market mechanism, make peasants more market-conscious, and guide the masses of peasants and herdsmen to animatedly work for a more comfortable life. Among enterprises we should help enterprises transform their operating mechanisms and make them more market-oriented through implementing three phases of contracting. Among government organs, we should start delegating powers in 14 areas to enterprises to simplify administrative procedures and help government organs delegate powers to lower levels and transform their functions. Among science and technology departments, we should accelerate the pace of reform so that they better serve economic construction. Among public security, procuratorial, and judicial departments, we should provide effective political assurance revolving around economic construction. In short, all localities and departments should take practical action during this winter and the following spring so that a new situation can be formed in which everyone races to open up new areas.

The string of policies and measures set forth by the fifth plenary session concerning reform, opening up, and economic construction are a product of emancipation of the mind. To carry out the session's guidelines and to truthfully implement the policies of reform and opening up laid down by the session, we also must further

emancipate our minds. As pointed out by Comrade Deng Xiaoping, nothing can be accomplished if our minds are not emancipated and the way in which we think is not changed. If our minds are not emancipated and the way in which we think is not changed, we will be unable to come up with good ideas and plans, and even if we were to have good ideas and plans, we would be unable to implement them. The autonomous regional CPC Committee has decided to conduct across the autonomous region during this winter and the following spring large-scale discussions on the socialist market economy. The purpose of these discussions is to use the theory of building socialism with Chinese characteristics and the requirements of the socialist market economy to further emancipate our minds, change the way in which we think, to pointedly remove from cadres and masses the ideological obstacles that hamper reform and opening up that and keep development from proceeding faster, and to turn this theory and these requirements into a powerful driving force for advancing reform, opening up, and our modernization efforts. All localities and departments should closely link these discussions to their experiences in reform and construction, use their experiences in reform and opening up to deepen these discussions, and use these in-depth discussions to clear the way to reform and opening up by removing these obstacles in order to thoroughly carry out the guidelines set by the 14th CPC National Congress and the fifth plenary session.

The key to thoroughly implementing the fifth plenary session guidelines is that leaders at all levels should have the right mentality. Our promotion of reform, opening up, and a socialist market economy is a great, pioneering undertaking that has never been experimented with by others. Quickening the pace of Xinjiang's reform, opening up, and economic construction; and enabling Xinjiang to join other parts of the country in making people better off—these are arduous, historical tasks of paramount honor. Without the right mentality, the vast numbers of cadres with party membership, especially leading cadres at all levels, are simply unable to undertake this heavy task. Leaders at all levels should foster the lofty ideal of dedicating themselves to achieving the cause of reform and opening up and should correctly define their position so that they can accomplish the tasks entrusted to them by history.

A dispirited and inert mentality, being satisfied with the status quo, and being afraid to take responsibility and risks, completely runs counter to our cause. If we always consider the difficulties and wait for favorable conditions before doing anything, we are doomed to failure. The correct attitude should be to overcome difficulties and pioneer new spheres with an adventurous spirit and an unbending willpower in order to open up new paths for reform and development in one's own locality or department.

The 14th CPC National Congress and the establishment of the objective of reform—building a new socialist market economic system—have provided us with a new

opportunity. We must not miss this opportunity; time waits for nobody. Let us unite more closely under the leadership of the party Central Committee with Comrade Jiang Zemin as its core; let us emancipate our minds and work in a down-to-earth manner; and let us work hand in hand to thoroughly carry out the guidelines set by the 14th CPC National Congress and quicken the pace of Xinjiang's reform, opening up, and economic construction.

Xinjiang Holds Meeting on Border Trade

*OW1912195792 Urumqi Xinjiang Television Network
in Mandarin 1655 GMT 15 Dec 92*

[From the "Xinjiang News" program]

[Text] The autonomous region work meeting on border trade was held today. Li Donghui, vice chairman of the autonomous region and chairman of the autonomous region economic and trade commission, spoke at the meeting.

He said: The autonomous region has achieved great results this year by conscientiously carrying out the policy of invigorating the economy in border areas. It has encouraged foreign trade and free travel by opening more border trading posts and by improving railway transportation. As a result, the volume of border trade increased by a great margin. During the January-October period, our region scored \$220.53 million of imports and exports, an increase of 3.59 times compared with the same period last year. The number of enterprises with privileges to handle border increased from five in 1991 to more than 200, with more than 260 trading partners in five Central Asian republics and other surrounding countries. The scope of border trade is expanding. Tourism, purchasing sprees, and barter trade between Chinese and foreign border residents are burgeoning. Rising from its supplementary status, border trade has become an important factor in Xinjiang's economy.

Li Donghui said the major problems that plague our region's border trade work are as follows: The transformation of traditional ideas and concepts lags behind the progress of foreign trade. In addition, the implementation of foreign trade contracts is low. The trade gap in our favor is relatively large. Import commodities provide only a very few choices. The construction of trading post facilities is slow. Consequently, our loading and unloading capabilities cannot meet the needs of border trade development. All these problems have restricted the development of border trade in our region.

Li Donghui continued: It is necessary to carry out the goal of increasing export volume by \$100 million each year for the next three years. To achieve this goal, we should conscientiously study and implement the guiding spirit of the 14th National CPC Congress by renewing our ideology, opening up wider to the outside world, and taking the favorable opportunity to improve border trade. It is imperative to strengthen infrastructural facilities, especially transportation. Great efforts should be made to promote barter trade

between Chinese and foreign border residents, tourism, and purchasing sprees. We should strengthen the work of inviting foreign and domestic investment. We should deepen reform of the trade system. In this way, we can push forward our region's border trade work to a higher stage of development.

Hederbai and Abulaidi Amudurexiti, vice chairmen of the autonomous region, attended the meeting.

Xinjiang Releases 1991 GNP Figures for Cities

*OW1912114192 Urumqi Xinjiang Television Network
in Mandarin 1655 GMT 16 Dec 92*

[From the "Xinjiang News" program]

[Text] The ranking of Xinjiang's cities in terms of their 1991 GNP was made public recently. Karamay city tops the rest of the autonomous region in GNP. Urumqi ranks first in terms of revenue. Cities with a GNP over 1 billion yuan in 1991 are Urumqi and Karamay, listed in the order of the amount of revenue. Cities with per capita GNP over 4,000 yuan in 1991 are Karamay, Urumqi, and Kuytun. Cities with revenue over 100 million yuan in 1991 are Urumqi, Karamay, Kuytun, and Korla.

The GNP generated by Xinjiang's 16 cities totals 16.6 billion yuan in 1991, up 22 percent over 1990. Their GNP accounts for 44.7 percent of the total amount of Xinjiang's GNP, down almost 10 percentage point from 1990 and for the first time lower than the proportion of revenues generated by Xinjiang's counties.

Per capita GNP generated by the 16 cities totals 3,790 yuan, 18 percent over 1990, 85.7 percent over Xinjiang's per capita GNP of 2,041 yuan, and 121 percent over the nation's per capita GNP of 1,714 yuan.

Xinjiang TV Commentary Stresses Rural Prosperity

*OW1912115492 Urumqi Xinjiang Television Network
in Mandarin 1655 GMT 17 Dec 92*

[Announcer-read commentary: "Deepen the General Discussion on Rural Areas' March Towards Prosperity"; from the "Xinjiang News" program]

[Text] The regional party committee has decided to launch a general discussion this winter and next spring concerning rural areas' march toward prosperity. At present, the discussion is in full swing in the vast farming and pastoral areas throughout the region. Promptly deepening the discussion to give a strong impetus to implementing the 14th CPC National Congress guidelines is a very important task facing party organizations at all levels in farming and pastoral areas. The discussion is specifically aimed at pushing peasants into markets; orienting the rural economy to a market economy; and channeling the enthusiasm and creativity of cadres and

the masses to developing productive forces, and quickening the march toward prosperity in close conjunction with the implementation of the 14th congress guidelines and centering around the establishment of a socialist market economy.

Therefore, in conducting the discussion earnestly and seriously, we should guard against formalism and vague generalization, seeing to it that the discussion is carried out thoroughly at each level. Counties, townships, and villages should help peasants and herdsmen draw up plans for the march toward prosperity; they should also

designate a number of model townships, villages, and households, and bring their role into full play. Prefectures and counties should work out coordinated policies on the march toward prosperity, and their principal leaders should visit farming and pastoral areas to offer guidance on the discussion, popularize model experiences, and help peasants and herdsmen foster the concept of a market economy. Institutions and departments at all levels should provide logistic support. Only by so doing can we enrich the contents of the discussion, and achieve concrete results in studying and implementing the guidelines and changing our way of thinking.

XINHUA Reports Results of Taiwan's Election

OW2112123592 Beijing XINHUA Domestic Service in Chinese 1035 GMT 21 Dec 92

[Text] Hong Kong, 21 Dec (XINHUA)—Sources from Taipei [Taipei]: The results of Taiwan's second election of "legislators" on 19 December have been revealed.

This was the first overall "Legislative Yuan" election since the Kuomintang's [KMT] arrival in Taiwan over 40 years ago. The report says: the percentage of people going to polls was 72.02 percent; of which the KMT drew 61.67 percent and the Democratic Progress Party [DPP], 36.09 percent. Of the total 161 seats, the KMT secured 103 seats, or 64 percent of the total; the DPP won 50 seats, accounting for 31.1 percent; and the Social Democratic Party and independent candidates took eight seats, representing 4.9 percent.

The press on the island maintained: The election results have slightly changed the percentages of the KMT's and the DPP's seats in the "Legislative Yuan," which will further intensify the strained relations between the two parties and then affect Taiwan's political development and stability.

Wu Xueqian Speaks at Strait Association Forum

OW1912205092 Beijing XINHUA Domestic Service in Chinese 1402 GMT 16 Dec 92

[By reporters Chen Jianshan (7115 1696 1472) and Sun Chengbin (1327 2110 2430)]

[Text] Beijing, 16 Dec (XINHUA)—Wu Xueqian, vice premier of the State Council, said today: The course of China's peaceful reunification is irresistible and is bound to be realized. We should conform with the historical trend, more actively develop relations between the two sides of the strait, and create conditions for accomplishing the great cause of the motherland's reunification.

Wu Xueqian made the above remarks at a forum marking the first anniversary of the inauguration of the Association for Relations Across the Taiwan Strait [ARATS] this evening.

He said: Since the beginning of this year, Taiwan businessmen have become more confident in doing business and investing in the mainland, while the pace of developing cross-strait economic and trade exchanges and cooperation has been quickened, becoming a very important factor in pushing the growth of relations between the two sides. Personnel and other exchanges continue to expand, and contacts and dialogues between people in various circles on both sides have become more frequent and closer than ever. Authorized nongovernmental organizations have formally established channels for contacts, and talks on routine matters are gradually gaining ground. These facts fully show that the development of relations between the two sides is irresistible.

Wu Xueqian said: General Secretary Jiang Zemin pointed out at the 14th CPC National Congress that "one country, two systems" is one of the main components of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. The Kuomintang and the CPC should get in touch as early as possible to create the conditions for negotiations to formally end hostility between the two sides and step by step realize peaceful reunification. Wu Xueqian said: At present, in the absence of political contacts and talks between the two sides, authorized nongovernmental organizations on both sides should bring into full play their role in strengthening relations and cooperation and facilitating talks on routine matters.

Wu Xueqian fully affirmed the tremendous effective work achieved by ARATS over the past year. He expressed the hope that in the coming year, ARATS will step up contacts and cooperation on Taiwan with organizations and individuals in various circles who advocate the development of ties with the mainland, and will work for promoting cross-strait exchanges, thereby further contributing to accelerating the development of cross-strait relations.

ARATS Executive Vice Chairman Tang Shubei gave a briefing on major work accomplished by ARATS during its first year. He said: Since its founding, ARATS has taken the initiative to actively carry out its work according to the "charter." It has established wide-ranging contacts and cooperation with relevant nongovernmental bodies and individuals on Taiwan, assisted the departments concerned to facilitate people-to-people and other exchanges, set up the channels for handling routine matters between the two sides, and conducted talks with the Straits Exchange Foundation on two matters—"the use of verified documents between the two sides" and "the inquiry and compensation of cross-strait registered mail."

Tang Shubei said: Next year, ARATS will focus attention and do more concrete work on the major task of promoting economic and trade relations between the two sides. It will also continue to encourage talks on routine matters; further develop ties and cooperation with nongovernmental organizations and individuals on Taiwan and overseas; vigorously promote personnel and other bilateral exchanges; continue to coordinate with the relevant departments in handling unexpected events involving personnel on the two sides and strive to protect the legitimate rights and interests of compatriots on both sides of the strait.

Wang Daohan, ARATS chairman, presided over the forum. Rong Yiren, vice chairman of the National People's Congress Standing Committee and honorary ARATS chairman; and Wang Zhaoguo, director of the State Council Office on Taiwan Affairs, spoke at the forum, which was attended by some ARATS members in Beijing and officials of departments concerned.

Following the forum, Wang Daohan and Tang Shubei also answered reporters' questions.

Signed Article Rejects 1 China, 1 Taiwan Stand

HK2112114992 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 18 Dec 92 p 3

[Article by A Sha (7093 5446): "'One China, One Taiwan' Is a Reproduction of the 'Taiwan Independence' Stand"]

[Text] Recently, "Taiwan independence" activities have become rampant again on the island of Taiwan. Flaunting the banner of "one China, one Taiwan," some people are opposed to upholding "one China" and even some people within the Kuomintang [KMT] have openly echoed this view. This merits serious concern. "One China, one Taiwan" is nothing new but another formulation of the "Taiwan independence" stand. Its essence is to split our country and nation and undermine peaceful reunification between the two sides of the strait. This is resolutely opposed by all Chinese people, including the masses of the people in Taiwan. The compatriots on both sides of the strait will never allow a small number of "Taiwan independence" elements to jeopardize the interests and security of the vast numbers of the people for their political self interest.

In a recent statement, the KMT Central Standing Committee stressed adherence to the "one China" position, indicating that they would never allow the attempt of "Taiwan independence" and "one China, one Taiwan" to succeed. We hope the KMT authorities will not go back on their word, take practical actions in keeping with

the tide and the popular will and not do anything that will be detrimental to upholding the principle of "one China" and the relaxation of cross-strait relations. We should seek common ground while reserving differences, cooperate hand in hand for common development, make further efforts to eliminate man-made obstacles, vigorously develop cross-strait economic cooperation and various exchanges to create conditions for the gradual realization of peaceful reunification of the country.

The great majority of Taiwan people are for "one China" and call for the reunification of the motherland. They are opposed to "Taiwan independence" stand of every description. They wish to see improvement and normal development in cross-strait relations. Numerous polls, all gatherings by mass organizations, and the vast public opinion on the island have proved this. We believe that the Taiwan people will certainly be able to see through the various camouflages of "Taiwan independence" stand and foil the plot of those black sheep.

We have consistently maintained that there is only one China, that Taiwan is an inalienable part of China's sacred territory, and that the PRC Government is the only legitimate government representing the whole of China. We are resolutely opposed to any form of "two Chinas," "one China, one Taiwan," or "one country, two governments" and any words or deeds of "Taiwan independence." We stand for the peaceful reunification of China but, once there appears the "independence of Taiwan" or the split of China by foreign forces, we, as General Secretary Jiang put it on 15 December, are sure to adopt drastic [duan ran 2451 3544] measures to resolutely safeguard state sovereignty and territorial integrity.

Foreign Minister Holds News Conference**Criticizes U.S. Japan**

OW1912060692 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT 18
Dec 92

[From the "Hookup" program]

[Text] During his speech at a news conference held for foreign journalists yesterday, Foreign Minister Chien Fu, in rare, strong tones, criticized the United States and Japan for their unfair economic and political practices.

Chien Fu urged Clinton's new administration not to be too ready to resort to the Super 301 provision of the 1988 Omnibus Trade Act for the interests of a small number of U.S. businessmen, so as to avoid possible general trade warfare.

Chien Fu also said that, frankly, the government and people of our country were very dissatisfied with the fact that Japan only thought of making profits in Taiwan and completely lacked any sincerity in improving political ties. Here is a report from Chuang Hui-hsun:

[Begin recording] [Chuang] At a news conference for foreign journalists in Taiwan to observe the local elections, Foreign Minister Chien Fu, for the first time, expressed our country's expectations of the reforms to be carried out by the new Clinton administration. First, Chien Fu expressed his hope that the United States would lift the ban on high-ranking officials visiting the Republic of China. Secondly, Chien Fu said that our representative organizations in the United States—offices of the Coordinated Council for North American Affairs—were simply unable to be clear about their status as representatives of the Republic of China on Taiwan. Chien Fu said: It is necessary for both the Chinese and American sides to face this fact and to form a representative organization that is able to clearly indicate its status. Finally, the U.S. International Trade Commission too easily resorted to the Super 301 protection resolution for the benefit of a small number of domestic groups and to the neglect of the interests of Americans as a whole. He said: It is possible that the United States, influenced by lobbyists representing the interests of a small number of groups, is moving toward trade warfare. Chien Fu cited as an example the fact that the United States used the Super 301 resolution to force us to open our commercial market. He said that Taiwan and other countries in the world had an aversion to the practice.

Commenting on our relations with Japan, Chien Fu said frankly: The people and government of our country believe Japan is only interested in making profits in Taiwan. It pays no attention to the widening, unfavorable trade gap. The people and government of our country are very dissatisfied with this.

[Chien] Japan is only interested in making profits in the Republic of China. Our trade gap is widening, year after year. As far as politics is concerned, however, the Japanese Government has not shown one single sign of intent to improve its ties with the Republic of China. This is something the government and the civilian sectors of the Republic of China simply cannot accept. They are very unhappy with this state of affairs.

[Chuang] At the news conference, Chien Fu, casting aside the usual careful, diplomatic expressions, was frank and severe in his criticism of the unfair practices of the United States and Japan, to an extent rarely seen. Journalists at the news conference were surprised at the severity of his manner. At the same time, they seemed to appreciate our countrymen's pent-up feelings. [end recording]

On Silence Over Hong Kong

OW1912084192 Taipei CNA in English 0824 GMT 19
Dec 92

[Text] Taipei, Dec. 19 (CNA)—Foreign Minister Chien Fu Friday harshly criticized Japan for lack of sincerity in strengthening relations with the Republic of China [ROC].

"Japan is only interested in making money in Taiwan and has never shown the least interest in improving bilateral relations," Chien criticized while meeting with 47 foreign journalists who are currently here to cover the historic legislative election.

Both the ROC Government and its people agree that Japan's attitude is unacceptable, Chien noted. "We are extremely dissatisfied with it," he stressed.

Many countries bearing no formal ties with the ROC have sent ministerial-level officials to Taipei this year. Japan is, however, still reluctant to do so.

Taiwan has long suffered a huge trade deficit with Japan and the imbalance is expected to shoot up to a record high this year. Japan has done little to help narrow the trade gap, Chien remarked.

The minister also expressed the hope that U.S. President-elect Bill Clinton would further ease curbs on visits by American officials to Taiwan after he takes office on Jan. 20.

Chien said Clinton has wide-ranging first-hand information about the ROC and is quite friendly to Taiwan people as he has visited here four times in the past.

"We hope that Clinton can review the outdated U.S. restrictions on visits here by its high-ranking officials, and then relax or completely drop such restrictions to facilitate high-level contacts between the two countries," Chien elaborated.

The ROC Government also desires to change the title of its representative office in the U.S. in order to make its presence there more conspicuous, Chien said.

The ROC representative office in America is currently named the Coordination Council for North American Affairs. "Many newcomers to Washington do not understand what the council represents," the minister noted.

Chien further urged U.S. authorities to avoid the measure of threatening to impose trade sanctions under Special 301 or Super 301 Provisions of the U.S. Omnibus Trade Act in trade disputes with other countries, cautioning that such a move might trigger trade wars.

Meanwhile, Chien said, the ROC Government has kept silent on the recent Hong Kong-Peking row to avoid complicating the situation.

"We have kept silent because we think the Hong Kong Government prefers it that way," he explained.

Chien stressed that Taiwan has never harbored any [words indistinct] about Peking's "one country, two systems" proposal. "The recent Hong Kong situation has further stiffened our opposition to the Peking-proposed formula for the unification of China," he added.

Peking and Hong Kong have been at odds since Hong Kong Governor Chris Patten unveiled in October a package for democratic reform in the British colony. Hong Kong will revert to Chinese Communist rule in 1997.

On Efforts To Win World Recognition

OW1912084392 Taipei CNA in English 0827 GMT 19 Dec 92

[Text] Taipei, Dec. 19 (CNA)—The Republic of China [ROC] has not only created an economic miracle, it has also made tremendous progress in democracy, and the achievement has won worldwide respect and admiration, the head of the Ministry of Foreign Affairs said Friday.

Chien Fu made the remarks underlining the achievements of the ROC under the ruling Kuomintang while campaigning for a KMT candidate in Keelung, North of Taipei.

Chien noted that Peking had tried to isolate Taiwan in the international community, but that the ROC Government has managed nonetheless to make breakthroughs in the diplomatic front.

He cited as an example that from January to December, 96 foreign ministers and vice ministers had visited Taiwan, a sign that ROC's political and economic achievement had won international recognition.

Moreover, Chien said, Peking's role as a counterbalance to the Soviet Union had diminished following the disintegration of the communist giant and that Peking's attempts to stifle Taiwan would prove futile now, he added.

President Receives U.S. Senator; Discusses F-16's

OW1912082792 Taipei CNA in English 0749 GMT 19 Dec 92

[Text] Taipei, Dec. 19 (CNA)— President Li Teng-hui received visiting U.S. Senator Nunn Friday at the presidential office.

Li told the senator during the meeting that he was happy with the U.S. decision to sell F-16 fighter planes to the Republic of China [ROC].

The president noted that the purchase of the advanced planes was to replace its aging fleet of air force fighters. The planes are for self-defense only, and there should not be any doubt about an escalation of arms race, Li added.

Nunn, who is the chairman of the Senate Armed Services Committee, lauded the progress the ROC has made in democracy and in moving towards a pluralistic society.

The senator stressed that the United States attached great importance to the security of the ROC and the Asia Pacific region, and he was happy to see a decline in the ROC-U.S. trade imbalance.

Li also exchanged views with Nunn on economic cooperation and collective security in the Asia Pacific region, and on the development of relations across the Taiwan straits.

Bank To Open Representative Office in New York

OW1912085492 Taipei CNA in English 0830 GMT 19 Dec 92

[Text] Taipei, Dec. 19 (CNA)—The New York representative office of the Central Bank of China (CBC) will be operational next March, the central bank said Friday.

The representative office, to be located in the neighborhood of Wall Street, marks the first ever overseas office of the central bank.

Noting that Governor Samuel Shieh will personally preside over the opening ceremony, the CBC announced that Chen Huang, deputy director of the Foreign Exchange Department, will head the New York office.

Aimed at strengthening ties with the federal reserve and other banks of the United States, the office will also gather international financial information so as to better protect the interests of domestic financial institutions, CBC officials pointed out.

Currently, the officials said, the central bank is pondering whether to establish a similar office in London.

Yeltsin Cited on PRC, Taiwan Relations*OW1912081492 Taipei CNA in English 0801 GMT 19 Dec 92*

[Text] Peking, Dec. 19 (CNA)—Russian President Boris Yeltsin Friday spoke highly of the economic achievements made by Taiwan, saying it is already one of the world's five major trading nations.

Russia will maintain ties with Taiwan, but they will not be official in nature, Yeltsin told a press conference in Peking Friday afternoon.

Yeltsin's arrival on Thursday marked the highest level official contact between Russia and Mainland China since the Soviet Union collapsed in 1990.

Russia is poised to cooperate with a prosperous Taiwan. Direct business contacts, such as exchanges of bank offices, do not run counter to the "no official link" principle and should not be opposed by Peking, Yeltsin indicated.

But he said that for the time being military sales to Taiwan are impossible without prior discussion with Peking.

During the 45-minute meeting with more than 200 reporters from the mainland and abroad, the Russian president first talked about his impressions of the mainland and the 24 [figure as received] agreements signed between the two sides in the past two days.

Taipei, Jakarta To Strengthen Economic Ties*OW1912083292 Taipei CNA in English 0815 GMT 19 Dec 92*

[Text] Taipei, Dec. 19 (CNA)—Trade ties between Taiwan and Indonesia are expected to make great strides after a meeting Friday between more than 130 government officials and leading entrepreneurs from the two countries.

In a joint statement, issued following the Eighth Joint Economic Cooperation Conference between the Republic of China [ROC] and the Republic of Indonesia, both sides pledged to strengthen cooperation in trade and investment.

Chen Yiao-sheng, chairman of the state-owned Chinese Petroleum Corp., headed the Chinese side, while the Indonesian delegation was led by Suryo B. Sulisto.

Economic Affairs Minister Hsiao Wan-chang of the Republic of China and Commerce Minister Arifin Siregar of Indonesia were invited to deliver keynote speeches at the annual economic conference.

Noting that the interdependence is the key to the development of the international economy, Hsiao said that the ROC would continue to seek closer cooperation with other countries.

The Chinese minister explained in detail the government efforts in promoting industrial upgrading, the strategy of economic liberalization and internationalization, as well as the ongoing six-year national development plan.

Minister Siregar expressed the hope that small and medium enterprises of Indonesia could learn the successful experiences of their counterparts in Taiwan. "Taiwan could help a lot in this field," he said.

He pointed out that Taiwan manufacturers are welcome to relocate their production facilities to Indonesia, which is a good place for the development of labor-intensive industries.

In addition to rich natural resources and an abundant work force, the Indonesian Government offers many incentives to foreign investors, he elaborated.

The one-day meeting focused its discussion on strategic alliances between the business sectors of the two sides, with topics on the agenda including turn-key plant projects, product design, financing, and personnel training.

The Indonesian delegates also introduced trade opportunities, tourism, and the investment climate at the meeting.

The next conference is scheduled for 1993 in Jakarta.

In a move to forge closer ties, the Chinese National Association of Industry and Commerce signed a memorandum of understanding with the Indonesian Chamber of Commerce on industrial strategic alliance.

A similar memorandum on trade cooperation was also inked by the China External Trade Development Council and the Export Promotion Center of the Indonesian Commerce Ministry.

Currently, Taiwan is the third biggest foreign investor in Indonesia, with approved investments totaling US\$3.87 billion in 238 projects.

Economics Minister To Visit Kuala Lumpur*OW1812083392 Taipei CNA in English 0818 GMT 18 Dec 92*

[Text] Taipei, Dec. 18 (CNA)—Economics Minister Hsiao Wan-chang is scheduled to meet with International Trade Minister Rafidah Aziz of Malaysia in Kuala Lumpur Dec. 26, a ranking official of the Ministry of Economic Affairs (MOEA) said Thursday.

The official pointed out that the two ministers will exchange views on trade cooperation and on details of an investment guarantee agreement between the two countries.

According to foreign wire service reports from Kuala Lumpur, Minister Rafidah said Malaysia will sign the investment protection pact with Taiwan by next February.

Hsiao is leaving for Jakarta Dec. 20 to attend a Sino-Indonesian ministerial energy meeting, from which he will proceed to the Malaysian capital on Dec. 25.

MOEA tallies show that investments made by Taiwan manufacturers in Malaysia totaled US\$1.36 billion last year, down US\$1.1 billion from 1990.

Noting that the lack of an investment guarantee accord is part of the reason behind the investment shrinkage, the official stressed that the government would continue seeking to ink bilateral investment pacts with friendly countries, which is an established policy of the country.

Economic Delegation To Tour Subic Bay

OW1812090892 Taipei CNA in English 0839 GMT 18 Dec 92

[Text] Taipei, Dec. 18 (CNA)—Vice Economic Affairs Minister Yang Shih-chien said Thursday that he will lead a large delegation to visit the Subic Bay of the Philippines next month.

The delegation aims to make a fact-finding tour of the investment climate in the bay, where the government wants to establish an industrial park for domestic manufacturers, Yang pointed out.

Taiwan investors, however, hesitated to go along with the project in consideration of the worsening social order in the former U.S. naval base.

The vice minister noted that the Philippine Government must work out effective measures to redress the social order problem in order to attract foreign investors to the bay.

Stronger Trade Ties With Seoul Expected

OW2112101192 Taipei CNA in English 0811 GMT 21 Dec 92

[Text] Taipei, Dec. 21 (CNA)— There is still ample room for economic cooperation between Taipei and Seoul, especially in reducing the large trade deficits both countries suffer with Japan, an official of the Ministry of the Economic Affairs said Sunday.

The official said that though relations with the new government in Seoul are not clear following its recent election, the new government would try to strengthen substantive ties with the ROC [Republic of China] to serve its interest.

He noted that Korea's President-elect Kim Yong-sam had stressed on several occasions the importance of economic development and he would try to do everything to revitalize the sagging economy.

Strengthening economic cooperation with other nations would be the top priority for the president-elect, the official added.

He noted that Kim had earlier sent a letter to President Li Teng-hui, expressing his concern about Korean fruit exports to Taiwan.

The official also said that Seoul government is expected to develop a trade relation more vigorously with Mainland China, the move will stimulate manufacturers here to quicken their pace in investing in the mainland.

He stressed that the government is more concerned that Taipei and Seoul cooperate with each other to address the issue of large trade deficit with Japan.

He noted that South Korea has been successful in cutting down large deficit with Japan. Taipei could learn from Seoul's experience, he added.

Reaction to Legislative Election Results

Results Broken Down

OW2012002792 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 19 Dec 92

[From the "Hookup" program]

[Text] The second Legislative Yuan election was completed in a generally quiet and calm atmosphere. A total of 161 seats were contested—125 seats from regional and aboriginal constituencies, and 36 seats from national and overseas constituencies under proportional representation. Of these, the Kuomintang [KMT] won 96 seats; the Democratic Progressive Party [DPP], 50; independent candidates, 14; and the Chinese Social Democratic [CSD] Party, one. The overall percentage of people going to the polls was 72.02. Of the total votes polled, the KMT secured 61.67 percent and the DPP 36.09 percent.

A regional breakdown of the number of votes polled by the two major political parties—the KMT and the DPP—follows: Taipei County, 45.74 percent went to the KMT and 26 percent to the DPP; Ilan County, 49.42 percent to the KMT and 14.36 percent to the DPP; Taoyuan County, 61.36 percent to the KMT and 37.61 percent to the DPP; Hsinchu County, 54.07 percent to the KMT and 38.22 percent to the DPP; Miaoli County, 72.13 percent to the KMT and 5.48 percent to the DPP; Taichung County, 62.21 percent to the KMT and 24.81 percent to the DPP; Changhua County, 68.82 percent to the KMT and 29.27 percent to the DPP; Nantou County, 39.89 percent to the KMT and 39.36 to the DPP; Yunlin County, 58 percent to the KMT and 19.19 to the DPP; Chiayi County, 57.61 percent to the KMT and 22.85 to the DPP; Tainan County, 50.66 percent to the KMT and 38.58 percent to the DPP; Kaohsiung County, 46.93 percent to the KMT and 38.92 percent to the DPP; Pingtung County, 54.94 percent to the KMT and 34.93 percent to the DPP; Taitung County, 52.85 percent to the KMT and 31.53 percent to the DPP; Hualien County, 77.46 percent to the KMT and 21.64 percent to the DPP; Penghu County, 89.54 percent to the KMT and 10.46 percent to the DPP; Keelung City, 57.96 percent to

the KMT and 39.40 percent to the DPP; Hsinchu City, 38.67 percent to the KMT and 32.59 percent to the DPP; Taichung City, 56.16 percent to the KMT and 39.42 percent to the DPP; Chiayi City, 49.91 percent to the KMT and 50.09 percent to the DPP; Tainan City, 44.83 percent to the KMT and 38.19 percent to the DPP; the northern district of Taipei City, 31.50 percent to the KMT and 39.95 percent to the DPP; the southern district of Taipei City, 50.81 percent to the KMT and 31.08 percent to the DPP; the northern district of Kaohsiung City, 57.94 percent to the KMT and 38.96 percent to the DPP; the southern district of Kaohsiung City, 47.09 percent to the KMT and 31.46 percent to the DPP; and Kinmen County, 44.07 percent to the KMT and 2.71 percent to the DPP.

The final results show that the 96 seats captured by the KMT represent 59.6 percent of the total number of votes polled; the 50 seats won by the DPP represent 31 percent; the single seat won by the CSD represents 0.6 percent; and 14 seats claimed by independent candidates represent 8.7 percent.

KMT Secretary General Comments

OW2012105392 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 19 Dec 92

[From the "Hookup" program—passages within quotation marks are recorded]

[Text] In light of the results of the second Legislative Yuan election, Secretary General Sung Chu-yu of the Chinese Kuomintang (KMT) Central Committee said that the KMT must study the election results and work harder to satisfy the people's demand for improvements. The Chinese KMT hopes to cooperate with other parties for the Republic of China's [ROC] future on the basis of the ROC Constitution and on the premise of our nation's common identity. The following is a report by (Chang Chien-chung):

"After the announcement of the election results on 19 December, Secretary General Sung Chu-yu of the KMT Central Committee first expressed his gratitude to all voters throughout the country for their support of the KMT. Secretary General Sung Chu-yu held that the KMT received more than half of the votes, which shows that there is no doubt that the people still want the KMT to head the government. However, he also frankly admitted that the KMT must be very watchful about the winning ratio and number of seats gained in the election. From now on, the KMT must make greater efforts to satisfy the people's demand for improvements. Secretary General Sung Chu-yu said:"

[Begin Sung recording] "Judging from the number of votes received and the proportion of seats secured, we must be very watchful. In other words, our party must make greater efforts to strengthen our ties with various sides to satisfy the people's demand for reform at present." [end recording]

"Secretary General Sung Chu-yu also earnestly expressed that he is a responsible person and that he will reexamine various problems during the election. He said that he had reported the situation to KMT Chairman Li Teng-hui, and that he would assume all responsibilities for negligence during the election. Sung Chu-yu said:"

[Begin Sung recording] "The Chinese KMT is a responsible political party. I, as the chief of staff of the ruling party, am also a responsible person. Therefore, we will carefully examine our mistakes during the election. I have reported the situation to our party's chairman, Li Teng-hui. As to things which need to be reexamined or negligent matters, I am willing to assume full responsibility." [end recording]

"Meanwhile, Secretary General Sung Chu-yu also sincerely and earnestly said: In the course of the election, there were arguments on some matters, but after the election we should all face various issues with a sensible mind. For instance, if we cannot sensibly and soberly handle problems such as unification or independence, and the provincial origin of the people, these problems will become the greatest underlying worries for the country. Therefore, he hoped that all people would identify themselves with the country, unite in a peaceful manner, and consider Taiwan as a common community and forsake unnecessary ideological arguments. He said:"

[Begin Sung recording] "During the election, there were some arguments such as the so-called unification or independence, and sentiments concerning the people's political and provincial origin. If we cannot sensibly and soberly handle these problems, they will be the greatest underlying worries for the country in the future. We hope that people of the whole country will truly understand that our country needs unity and harmony. We should understand that, in Taiwan—the base for national rejuvenation—we all share a common fate. We have a common destiny. We must not have any radical or rash attitudes. These kinds of attitude will bring about turbulence for all of society. I once again hope that all people will cast away unnecessary arguments about different views, be open-minded and far-sighted, and work with concerted efforts to create a new opportunity for the country." [end recording]

"Secretary General Sung Chu-yu finally called on the opposition party to protect our hard-earned achievements on the basis of the constitution. He said that the KMT would cooperate with all parties for the ROC's future and let the people have a free, democratic, and prosperous life."

KMT Secretary General Resigns

OW2112085992 Taipei CNA in English 0740 GMT 21 Dec 92

[Text] Taipei, Dec. 21 (CNA)—Kuomintang Secretary-General Sung Chu-yu tendered his resignation Sunday after the ruling party suffered a setback in the just-concluded legislative election.

Sung submitted his resignation to president Li Teng-hui, who is also party chairman, taking responsibility for the KMT's lackluster showing in Saturday's parliamentary poll.

Sung said in his resignation that he has been in office for more than three years, during which time the party has led the country in seeing democratic reforms.

By now, Sung noted, an entirely new National Assembly and Legislative Yuan have been elected, marking a step forward in the development of a mature democracy.

"As the ruling party's performance in the latest legislative election was not ideal, I think now is the time for me to quit the job," Sung said.

President Li has not yet accepted Sung's resignation.

The KMT managed to keep its majority in the new legislature, but its share of the vote dropped to a record 53.02 percent low in the country's first full legislative election in more than four decades.

The KMT ended up with 102 seats in the new 161-seat legislature—96 were won by candidates formally nominated by the party and the remaining seven were won by KMT members running without the party's blessing.

In contrast, the opposition Democratic Progressive Party [DPP] garnered a record 31.03 share of the vote. It was the first time the DPP's share of the vote in parliamentary elections broke the 30 percent mark.

In a late Saturday night news conference, Sung Chu-yu said the ruling party was not satisfied with the election result, "but we accept the people's choices."

Sung thanked the voters for their support for KMT candidates in the election.

He also urged the DPP to act as a loyal opposition party and play a "balancing" role.

"I hope the opposition party will no longer trigger debate on controversial national identity issues," Sung said. "Such an ideological debate is unnecessary and harmful to national unity and social stability."

Meanwhile, KMT sources said the ruling party will reshuffle its branch organizations in some counties where the party suffered major setbacks in the legislative election. The party central will also be reshuffled later, the sources added.

President Congratulates Winners

OW2012040292 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 19 Dec 92

[By Yuan Chung, from the "Hookup" program]

[Text] Vote-counting for the second Legislative Yuan election was completed smoothly at 2150 [1350 GMT]

on the evening of 19 December, 10 minutes ahead of the originally scheduled time of 2200. The percentage of people going to the polls was 72.02, up 4 percent from that of the National Assembly election held at the end of last year [1991].

After ballot counting was complete, President Li Teng-hui telephoned Wu Po-hsiung, chairman of the Central Election Commission, to offer his congratulations to newly elected legislators. In addition, he expressed his profound gratitude to the election staff and the 40,000 policemen who maintained public order throughout the election. Chairman Wu relayed the following telephone message from President Li:

[Begin Wu recording] The president instructed me to convey a special thankyou to the election staff and police law enforcement personnel. He congratulated the 161 newly elected legislators on their victory, wishing them even greater successes in their terms of office, so that they can live up to the expectations of the country, society, and their respective constituencies. Because of the unexpectedly large number of candidates in the election, those defeated far exceeded those elected. Many talented political heavyweights were surprisingly defeated. The president was solicitous in expressing concern for them. Victory and defeat are common in elections. It is hoped they will display the best democratic spirit, accept the reality of the situation, and contribute to the country in other ways. [End Wu recording]

DPP Chairman Comments

OW2012115092 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 19 Dec 92

[From the "Hookup" program—passages within quotation marks are recorded]

[Text] In the current election of legislators, the Democratic Progressive Party [DPP] was supported by more than 36 percent of the voters. DPP Chairman Hsu Hsin-liang said that the number of votes represents the people's affirmation of the opposition party and that the DPP guarantees that it will make efforts to fulfill its promises to the voters. The following is a report by (Wang Hsiao-mao):

"In light of the fact that the DPP was supported by more than 36 percent of the voters in the current election of legislators, DPP Chairman Hsu Hsin-liang said that the number of votes represents the people's affirmation of the opposition party. He said that the DPP will certainly strive to fulfill its promises to the voters. Chairman Hsu Hsin-liang said:"

"The results show that the people of Taiwan hope to have a strong opposition party, and sound, modern party politics. We also know that in the course of the election, the DPP stressed the all-around reduction of taxes, and social welfare. This tells us that the people also want to

reduce their tax burden and desire better social welfare. Therefore, our party's policy and stand are the major reasons for our gains in the election. After this election, Taiwan will have a completely new political situation and parliament will become a completely new parliament. After this election, there is no doubt that today's Taiwan will become a completely modern and democratic country with two-party politics, not one and a half parties. [laughs]"

"Secretary General Chiang Peng-chien said that among the 161 seats of the Legislative Yuan in the future, the DPP will have more than 50 seats. He said: This will have a great bearing on Taiwan's political situation and the organization of the DPP. The DPP will study how it is to adapt itself to this new situation."

Judicial Yuan President Cited

OW2112101292 Taipei CNA in English 0801 GMT 21 Dec 92

[Text] Taipei, Dec. 21 (CNA)—The just-concluded legislative election sent a warning signal to the ruling Kuomintang, Judicial Yuan President Lin Yang-kang said Sunday.

Lin, a member of the KMT's decision-making Central Standing Committee, said the KMT could take the results as a warning that the ruling party cannot afford to be complacent and lazy.

He also noted that the gains made by the opposition Democratic Progressive Party in the election was good for both the KMT and the country.

The DPP's growth marked a step forward to two-party politics in the country that usually brings forth stability through a system of checks and balances, Lin explained.

Lin said he was commenting not as a KMT Central Standing Committee member but as a private citizen.

He pointed out that Saturday's election showed that the electorate has matured. "The voting process showed marked improvement from previous elections," he observed.

Another encouraging sign he saw in the election was the victory of those not financially strong and candidates thought to be above vote-buying. "I believe in clean election, and the belief has now found strong support," he added.

Election To Improve Island's Image

OW2112093192 Taipei CNA in English 0757 GMT 21 Dec 92

[Text] Taipei, Dec. 21 (CNA)—Vice Foreign Minister Chang Hsiao-yen said Sunday that the successful election of an entire new legislature will help improve the Republic of China [ROC]'s international image.

In the past, Chang said, some foreign scholars and politicians had criticized the ROC's parliamentary structure because many members had been frozen in office since the government moved its seat from the Chinese Mainland to Taiwan in 1949.

All elderly mainland-elected parliamentarians retired last year to pave the way for sweeping parliamentary reforms. The Dec. 19 election was the first full legislative election in Taiwan in more than four decades.

Chang said the election is a watershed for the country's political development. "It enables us to shed the burden of history and win more recognition from the world community," he noted.

Political democratization and economic liberalization are now world trends, Chang observed. "Progress in democratic reform is certain to be a plus for expanding our foreign relations," he added.

Andy Nathan, a political science professor at Columbia University, said here Sunday that the latest legislative election marked a big step forward in Taiwan's democratic development.

Nathan, who came to Taipei last week to observe the election, said the ROC's legislature would undergo fundamental structural changes following the election. It would also cause a redistribution of power in the government, he noted.

Successful democratic reforms here have proved that democracy can flourish in a Chinese society and that Taiwan has provided a good model for Mainland China to follow, the American China hand added.

Legislature To Have More Influence

OW2112092292 Taipei CNA in English 0746 GMT 21 Dec 92

[Text] Taipei, Dec. 21 (CNA)—The new legislature elected on Saturday will have an increasing influence on the country's economic and financial policies, government officials said Sunday.

Noting that nearly two thirds of the newly-elected legislators are new blood, the officials said they anticipated the need for communication with the parliament in the days ahead. The new parliament will be sworn in next February.

In addition, they pointed out, many of the newcomers who boast specialized expertise in the fields of economics and finance will have more say in national economic matters.

Of the elected men of note, they cited in particular former Finance Minister Wang Chien-hsien, who resigned in October over a land tax controversy, and Hualong Group Chairman Weng Ta-ming, who is now appealing a three-and-a-half-year prison sentence for involvement in a US\$22 million stock payment default.

Economic issues such as indirect trade across the Taiwan Straits, entry into the General Agreement on Tariffs and Trade (GATT), and protection of intellectual property rights (IPR) might come up in heated debates in the new Legislative Yuan, they forecast.

The new legislators are quite divided on the problems, they said.

While some are eagerly pushing for direct air links with the China Mainland, others are calling for a cooling-off of the "overheated" cross-strait trade ties. Some insist that domestic farmers be protected in future accession to the GATT, while disparate views range over the question of IPR protection.

Vice Economic Affairs Minister P. K. Chiang expressed the hope that the incoming legislature would redouble its efforts in overhauling outdated economic laws. They should follow their counterparts in Japan, who screen and approve about 500 bills annually, he noted.

In a move to better consult with the legislature, Economic Affairs Minister Hsiao Wan-chang has appointed Chang Ping-wen, vice president of the Bes Engineering Corp., as his ministry's liaison officer at the parliament.

Vote Shows Concern for Economy

OW2112101992 Taipei CNA in English 0807 GMT 21 Dec 92

[Text] Taipei, Dec. 21 (CNA)—The fact that more candidates with strong economic background were elected to the new legislature Saturday indicates that voters attach greater importance to economic matters, scholars here said Sunday.

The economy will remain the spotlight in the country's political development, they pointed out.

Noting that several tycoons were also elected, Professor Tzeng Chu-wei of National Chengchi University expressed his deep concern about the possible impact the interest groups might have on the enactment of economic bills.

While the election of former Finance Minister Wang Chien-hsien indicates public dissatisfaction with certain economic policies, big stock market trader Weng Taming in his capacity as a legislator will surely exert his influence on the government's stock transaction taxation policy, Tseng pointed out.

Chou Tien-cheng, professor of economics at National Chunghsing University, said that in addition to the supervision of the government's public policies, the newly-elected legislators should speed up the screening of bills related to social welfare.

They need to give priority to major economic and financial issues such as the land value increment tax, the negative effects on domestic farming to be caused by accession to the General Agreement on Tariffs and Trade, the revision of Labor Standard Law, and the stock transaction tax, Chou elaborated. As to trade ties across the Taiwan Straits,

Professor Chen Po-chih of National Taiwan University said that it is hard to say now whether the big jump in legislative seats by the major opposition Democratic Progressive Party, from 18 to 50, will affect the government's policies toward the China Mainland.

Beijing Officials To Assess Election Impact

OW2112092592 Taipei CNA in English 0752 GMT 21 Dec 92

[Text] Taipei, Dec. 21 (CNA)—The Chinese Communist unit in charge of Taiwan affairs will evaluate the possible impact of Saturday's parliamentary election on Taiwan's political development and cross-strait relations, a CENTRAL NEWS AGENCY dispatch from Peking cited sources as reporting Sunday.

The Chinese Communist authorities, the sources pointed out, have expressed concern over the victory of some Democratic Progressive Party (DPP) candidates who had advocated Taiwan independence during the campaign period.

Meanwhile, the Hong Kong-based CHINA NEWS AGENCY Sunday carried an article titled "Taiwan Faces New Political Challenges."

The ruling Kuomintang, the pro-Peking news agency said, had hoped to garner 70 percent of the 161 seats in the Legislative Yuan, but fell short at 64 percent. The DPP, the largest opposition party in Taiwan, collected 50 seats, a major surge from the present 18 seats on the legislative floor.

The poll results marked the largest KMT setback in the past four decades, the Hong Kong news agency said.

It added that the DPP advance, though partly benefiting from internal squabbling within the KMT, also reflects changing mentality of Taiwan residents.

However, the election results in way signal that secessionism has been widely adopted by Taiwan residents, referring to the victory of the "new KMT alliance," a faction sticking to its "one China" policy.

The pro-Peking news agency said with the entry into the Legislative Yuan of a large chunk of DPP members and disgruntled KMT members, the KMT would encounter its greatest challenges ever from both within and without.

The reshuffle on the legislative floor, the news agency warned, is expected to bring another uncertain factor into Taiwan's political arena in the years ahead.

Lack of PRC Comment Noted

OW1912080692 Taipei CNA in English 0746 GMT 19 Dec 92

[Text] Taipei, Dec. 19 (CNA)—A ranking mainland affairs official said on the eve of the parliamentary election that the Chinese Communist media has been

making little comment on the election campaigns which began Dec. 9, noting the contrast with the past.

"They must believe such comments invite only negative repercussions from Taiwan residents," Ma Ying-jeou, vice chairman of the Mainland Affairs Council, said Friday.

He observed that the Chinese Communists had repeatedly threatened Taiwan independence advocates in the mainland media during the official campaign period in the 1989 election.

As the election results showed, Ma pointed out, the move did not help curb the spread of secessionism, but only produced revoked aversion among Taiwan voters.

Since then, the Chinese Communists have rarely come up with such threatening remarks, he noted.

According to foreign wire service reports, the PEOPLE'S DAILY [RENMIN RIBAO] printed an editorial early December in its OVERSEAS EDITION which called on Taiwan residents not to vote for secessionists.

The MAC found the report was not true, [words indistinct] A said, and that the daily merely carried a feature story quoting statements by some anti-Taiwan independence organizations, he indicated.

Ma ascribed the self-restraint to a better understanding on the part of Peking's leadership of Taiwan's "political ecology." The reluctance to intervene in Taiwan's internal affairs will be conducive to the stabilization of the relations across the Taiwan straits.

Meanwhile, Ma stressed the mainland policy under the national reunification guidelines approved in March 1991 will not change as a result of the cabinet reshuffle.

Premier Hao Po-tsun has said the cabinet could resign early next year to set an example for the promotion of constitutional democracy, though the resignation is not stipulated in the ROC [Republic of China] constitution.

Mainland News Agency Reporters To Visit Taipei

OW1912082992 Taipei CNA in English 0806 GMT 19 Dec 92

[Text] Peking, Dec. 19 (CNA)— Three mainland reporters will fly into Taiwan on Dec. 22 to cover economic news.

Led by Guo Weifeng, deputy editor-in-chief of the CHINA NEWS SERVICE (CNS) [ZHONGGUO XINWEN SHE], the group will also include Zhou Tjinglo, deputy director of the CNS Fujian Branch; and Miss Lu Qunqun, reporter on Taiwan affairs with the XINHUA NEWS AGENCY.

Guo told CNA prior to his departure that "news exchanges between the two sides of the Taiwan straits have moved steadily on the right track since 1991."

Guo, 35, of Guangdong, has served in the CNS since he graduated from Wuhan University in 1982.

During their 20-day stay on the island, the three will visit Taiwan business groups [words indistinct] economists, economic institutions, and meet people in agriculture, forestry, service, and realty industries.

Guo said he hoped this time he would not become a news figure himself, so that his observation could be more objective and comprehensive. He was referring to the explosion of media coverage that surrounded his visit to Taiwan in August 1991 to cover a dispute between Taiwan and mainland fishermen. The visit marked the first time mainland journalists were permitted to go to Taiwan.

Fujian residents' concerns about Taiwan economic development are high as Fujian Province maintains close links with Taiwan both economically and culturally [words indistinct] Guo gave as explanation for Zhou's participation in the news group.

Zhou, 44, of Fujian, joined CNS 17 years ago, and was a graduate of Fujian Normal University.

Miss Lu, 26, has served in the CNS since her graduation from People's University in 1988. She said she was thrilled with the chance to see for herself the daily lives of Taiwan residents.

Index of Social Order Reveals Improvements

OW1912082592 Taipei CNA in English 0757 GMT 19 Dec 92

[Text] Taipei, Dec. 19 (CNA)—General social order in Taiwan has shown improvement since Premier Hao Po-tsun took office more than two years ago, according to a Government Information Office (GIO) report.

The report was commissioned by the GIO, which is under the administrative jurisdiction of the Executive Yuan, and was prepared by a group of scholars led by professional Hsu Chun-chin of the Central Police Academy [title as received]. The team prepared a statistical analysis of nine major crime categories in the period between June 1988 and May 1992.

It found that the number of crimes in seven of these categories had declined significantly over the four-year period: Homicides dropped 30 percent; robberies fell 60 percent; kidnapping, 80 percent; rape, 12 percent; vehicle theft, 27 percent and intimidation 80 percent.

Only drug dealing and use, and gambling registered an increase during the four [words indistinct] general, the "security index"—defined to give an overall general appraisal of social order—reached its peak of 87.81 points in September 1990 and then declined to 69.81 in January, 1991 and 16.31 in May this year, giving an indication that circumstances have been improving.

Hong Kong

PRC's 'Broadside' Against Jardine's Attacked

Patten Issues 'Strong Attack'

HK1912035792 Hong Kong *THE STANDARD* in English 19 Dec 92 pp 1, 3

[By Laura Chan]

[Excerpt] China's broadside at Jardines has come under strong attack from Governor Chris Patten, who has accused Beijing of trying to undermining investor confidence.

Patten said a proper implementation of the Joint Declaration should ensure the stability and prosperity of Hong Kong.

He said that also meant being concerned about the welfare and living standards of ordinary families.

"One needs to continue to maintain investors' confidence, the investors' confidence of local firms, and the investors' confidence of firms and banks and others from outside," he said.

"I would never and will never do anything which undermines that confidence.

"I would certainly never attack an important Hong Kong employer, an employer that looks after the well-being and living standards of many individual families and many individuals."

Patten said he was confident the economy, with the help of Hong Kong people, would continue to prosper.

The official XINHUA News Agency said on Thursday the British hong had amassed its fortunes by selling opium and was continuing to collude with the London government to frustrate Hong Kong's transition to Chinese sovereignty.

Legislator and Jardines director Martin Barrow believed the stability and prosperity of the economy was important to Hong Kong and he and other legislators would work hard to achieve it.

He refused to comment on the Xinhua statement about Jardines otherwise. [passage omitted on legislators' opinions of prc's criticism]

Editorial on 'Barrage of Insults'

HK1912063492 Hong Kong *SOUTH CHINA MORNING POST* in English 19 Dec 92 p 18

[Editorial: "Modern Motives for China's History Lesson]

[Text] China's barrage of insults aimed at Jardines was a score waiting to be settled. Revenge for wrongs ancient and modern is one strong motive behind Beijing's latest onslaught. History has little to do with the timing of the

abusive comments from the New China News Agency [XINHUA]. The mainland propaganda machine has been wheeled into action in the latest attempt to command obedience from the Hong Kong business community in the current dispute over the governor's political reform proposals. It marks another stage in how far China is prepared to go in terms of intimidatory tactics, to convince the British and Hong Kong Governments that they should back down on the constitutional changes.

By dredging up the hong's notorious past as a prime purveyor of opium to the corrupt and greedy merchants of Guangdong, Beijing has told the territory nothing new about the company or its own history. Yet these are old wounds, deeply felt. China's gerontocrats will not easily forget the resentment of Western abuse and imperialism that was such an important factor in their own political awakening in the 1920's and 1930's. The punishment that was taken on Jardines after the Communist takeover of Shanghai in 1949, was a retribution that few patriotic Chinese of the era would have found excessive. Singling the company out for attack, however, and accusing it of continued political and commercial skulduggery 150 years after the end of the Opium War, reflects the special place in Chinese history that Jardines holds as both the instrument and beneficiary of British imperialist aggression. To China, nothing has changed. Jardines' perceived role in the final years of British rule in Hong Kong is little different from its part in the original colonisation process. Jardines appears to have been singled out because some of its activities since 1984 suggest it has little confidence in the territory's future after 1997.

Its decision to move its domicile to Bermuda in 1984 ahead of the signing of the Joint Declaration sent confidence and the Hong Kong dollar plummeting. Other companies followed, all denying that they were acting out of concern for Hong Kong's future freedoms and stability. Then, Jardines led another form of exodus. In the face of half-hearted resistance from the Hong Kong authorities, earlier this year it moved its primary stock market listing to London and had the Hong Kong market rules amended to allow it to take only a secondary listing in the territory, subject to fewer controls.

Most damning of all in China eyes, perhaps was the behind-the-scenes lobbying that Jardines played in the demise of Lord Wilson, an advocate of convergence who was criticised as insufficiently attentive to the needs of big business, and his replacement as Governor with the combative Mr Chris Patten. London-based Jardines director Sir Charles Powell was one of the first to encourage Mr Patten to take the job after the Prime Minister offered him the post. The company has been one of the few major businesses to come out in favour of the governor's proposed reforms of the electoral system.

China's reaction is now clear for all to see. In case the message had been missed previously, some local newspapers were told the Chinese repudiation of the Container Terminal 9 decision last month was mainly targeted at Jardines. So, too, it was said, was the market-rocking announcement that Hong Kong Government contracts straddling 1997 would not be automatically recognised after the handover.

Among the pro-China business lobby, there will be little sympathy for Jardines, which has often been accused of arrogance and lack of long-term commitment to Hong Kong. The company, knowing China's hostility, will not have been surprised by the stream of invective from Beijing.

The spilling of bad blood in this way will have caused many others to pause for thought, however. Some business figures have deplored China's crude bully-boy tactics and wondered out loud if any company which stands up for Mr Patten now lays itself open to a similar tirade from Beijing. They ask, if Jardines is targeted now, what future does any company have if it disagrees with the party line after 1997?

The market, ever pragmatic, will try to convince itself that Jardines is an isolated case, because it is more pro-British in image than any other major conglomerate and China investments are at least risk than with other companies. Around many boardroom tables in Hong Kong, there will be those who are not so sure. Confidence in the way that Hong Kong has done business being allowed to continue may be more badly shaken than yesterday's stock market fall would indicate.

Attack Threatens Business

HK1912040692 Hong Kong THE STANDARD in English 19 Dec 92 pp 1, 3

["Comment" by China editor Terry Cheng: "Unleashing Warning Salvo"]

[Excerpt] By singling out Jardines for vilifying, Beijing through the XINHUA commentary has served notice that it will not allow anyone whom it considers politically hostile to benefit economically because of its Hong Kong and China links.

And by mentioning that the leading British hong derives two-thirds of its profits from Hong Kong and China, although its business operations cover more than 20 regions, Beijing is reminding the company where its real interests lie.

China has threatened to hurt Jardines' business with the XINHUA commentary asking the question: "Will it follow Governor Chris Patten wholeheartedly by cycling to a pier or an airport to gui xi?"

Gui xi is a Chinese expression which means returning to the West; but it can also mean going to Hell.

Chinese officials believe that forces which promote rapid democratisation in Hong Kong through Patten's blueprint will be forced to yield to Beijing's pressure only by realising their real interests are at risk.

Whether China is going to really hurt Jardines' interests in Hong Kong and the mainland before or after 1997 will depend on how the hong responds.

The Chinese officials must have taken into account the negative effects the threat may have on other investors. On the other hand, the officials may believe that Hong Kong Chinese investors and international ones would like to see Jardines, which has long enjoyed privileges here, as a diminishing presence.

Beijing is taking Jardines to task for its role in effecting a shift of the British policy towards Hong Kong.

The XINHUA commentary accused the hong of helping Patten secure the Hong Kong governorship and of promoting his political reforms.

With threats to their real business interests, Beijing hopes Jardines and other British forces will stop making "trouble".

It is even hoped they will exert their influence in London, where decisions about Hong Kong are made, to abandon or amend Patten's proposals for Hong Kong.

Jardines is considered influential as conventional belief has it that Hong Kong is run by the Royal Hong Kong Jockey Club, Jardines, and the Hong Kong Bank, in that order.

Attack Affects Investor Faith

HK2012081992 Hong Kong THE SUNDAY STANDARD in English 20 Dec 92 p 4

[By Laura Chan]

[Text] The war of words between the Chinese and British governments yesterday continued as Xinhua News Agency deputy director Zhang Jun Sheng blamed Governor Chris Patten for undermining investor confidence in the territory.

Zhang said Patten was the one who should shoulder the blame for weakening business confidence in Hong Kong, following recent slides on the stock exchange, including Friday's [18 December] 136-point fall on the Hang Seng index.

Xinhua—effectively Beijing's "embassy" in the territory—said on Thursday British firm Jardine had amassed its wealth by selling opium and was continuing to collude with the London government to frustrate Hong Kong's transition to Chinese sovereignty.

Economic analysts here directly blamed the Xinhua comment for the Hang Seng fall. But Zhang maintained that Patten had sown the seeds of declining confidence soon after his arrival as Governor.

"Patten blew the confidence of investors after he came to Hong Kong because he did not want to co-operate and his proposals contravene the Basic Law, Joint Declaration and all the understanding reached in the past," Zhang said.

Asked whether Xinhua's criticism of Jardine represented Chinese views, Zhang said the news agency was a national agency and its commentary was authoritative. But he refused to comment further on Sino-British relations, beyond saying that Patten had committed "three violations and one challenge".

Attack Not on All Foreign Interests

HK2012085792 Hong Kong WEN WEI PO in Chinese
20 Dec 92 p 11

[Report: "Chinese Source Says All Foreign Interests Will Be Protected After 1997 As Long As They Abide By Basic Law"]

[Text] An informed Chinese source said yesterday that the commentary filed by the XINHUA NEWS AGENCY the other day did not mean to aim at all British business firms in Hong Kong. All foreign interests, including British business firms, will be protected after 1997, as long as they abide by the Basic Law.

The informed source said the British interests will survive [cun zai yu 1317 0961 0060] within the limits of the Sino-British Joint Declaration and the Basic Law rather than beyond them. The legitimate interests of foreign investors, including British investors, will be protected by the law after 1997, so long as they abide by the Basic Law and other relevant laws of the Hong Kong Special Administrative Region.

The same source said although Hong Kong Governor Chris Patten has violated the Sino-British Joint Declaration, the Basic Law, and the understanding and agreement reached between China and Britain, China still will keep its word and certainly will persist in implementing the Joint Declaration and all the articles of the Basic Law. Since the Basic Law provides protection of all investors' interests, foreign investors' interests will be protected as long as they abide by the Basic Law.

Police, Army Roles in Border Control Viewed

HK2112023892 Hong Kong AFP in English 0131 GMT
21 Dec 92

[By Justin Dear]

[Text] Hong Kong, Dec 21 (AFP)—Hong Kong police are not covering the border with China properly, but the government is reluctant to seek military help because of fears this could lead to Chinese army involvement, security sources said.

Senior officials in the Hong Kong Government are worried that if they admit the shortcomings and call on British troops stationed here to resume border duties,

China will use this as an excuse to station its troops in the area after this British colony reverts to Beijing in 1997, they said.

China is only expected to send a small number of troops to the colony after 1997, but there is concern numbers would swell if troops were needed to man the border.

Under the Sino-British Joint Declaration covering the return of the colony to Beijing, the future local government is to have a large degree of autonomy and British officials want this maintained.

Since the bloody army crackdown on pro-democracy demonstrators in Beijing in June 1989, local officials worry large numbers of Chinese troops in Hong Kong could undermine business and local confidence, the sources said.

Another concern is that the growing number of illegal immigrants trying to enter Hong Kong, many lured by rumours of jobs in building the colony's multi-billion dollar new airport, could cost local jobs.

Captures on the 39-kilometre (24-mile) long border average 97 a day, although more than 50 percent are illegals heading back to China. Overall, work such as construction sites. They undergo three weeks special training and spend 16 weeks on the border before returning to normal duties. The police have more manpower deployed than the army and have also upgraded much of the equipment like thermal imagers, for seeing at night, used by the army.

Unlike the army, the police are also able to set up roadblocks which have resulted in arrests, search buildings, and stop and search people on foot.

The border, which features a five metre (15 feet) high fence topped with barbed wire and watchtowers at strategic points, lies along a mostly rural and sometimes hilly area which provides ideal cover to the illegal immigrants. Because of the terrain some sources believe the army, who are used to rough conditions, would handle the job better than police, most of whom are like "fish out of water" on the border, according to one source.

"The police have only a short training period before being asked to do something for which individual officers have no previous experience," said a source. "This is the government's fault," he said. "The government did not give them (police) the time or resources to adequately train their boys."

Problems are boredom, particularly waiting in ambushes, officers preferring to stay inside the huts dotted along the fence rather than go on foot patrols, positions left unmanned, and an "office mentality" including breaks for meals during operations.

The police used to handle the border up until the early 1970s, when a massive influx of illegals, many escaping China's Cultural Revolution, led to troops being used

first as reinforcements before taking over. The police resumed the border in phases starting in December 1990 and took full control in October.

Democratic Alliance Favors Smooth Transfer

OW1912081792 Beijing XINHUA in English 0803 GMT 19 Dec 92

[Text] Hong Kong, December 19 (XINHUA)—The Democratic Alliance for Betterment of Hong Kong (DABHK), a major political organization here, has stated that the most important thing for Hong Kong in the coming five years is to guarantee the smooth transition.

In order to achieve this goal, the party calls on China and Britain to continue to follow the principle of cooperation and consultation to ensure the smooth transfer of power in 1997 and the convergence with the Basic Law.

In its first political program, adopted at DABHK annual meeting on Thursday, the party says that the Sino-British Joint Declaration and the Basic Law represent the guarantee for the smooth transfer, adding that it opposes any approach against the Joint Declaration and the Basic Law.

The Sino-British Joint Declaration contains commitments entered by the Chinese and British Governments on governing Hong Kong by Hong Kong people and practising high autonomy in Hong Kong and the Basic Law, enacted on the basis of five-year consultation among Hong Kong people, embodies the spirit of the declaration, the DABHK program says.

The program calls on the Hong Kong people to work as one to supervise the real implementation of the Joint Declaration by the Chinese and British Governments as well as the Hong Kong Government and ensure that all arrangements including the political development in runup to 1997 converge with the Basic Law.

On maintaining Hong Kong's prosperity, the program says that the Hong Kong Government must stick to the principle of free trade and a fair and moderate taxation system. The Hong Kong Government should keep expenditures within the limits of income and make efforts to reduce inflation, it says.

The alliance, established in July this year, has 255 members and has set up regional branches in western Hong Kong island, central Kowloon and the New Territory.

More Concern for Territory in Taipei Forecasted

HK1912061692 Hong Kong SOUTH CHINA MORNING POST in English 19 Dec 92 p 10

[By Kent Chen]

[Text] Taiwan's new legislature, to be elected solely by residents of the island for the first time today, will be more concerned about Hong Kong, according to Taipei's top representative in the territory, Mr John Ni Chang-i.

Mr Ni, Taiwan's de facto spokesman in Hong Kong and the managing director of Chung Hwa Travel Service, said Hong Kong was already one of Taiwan's top three business partners, with more than 1.2 million Taiwanese going to the mainland via the territory every year and an increasing number of businessmen using Hong Kong as a stepping stone to enter the mainland market.

Since the new legislators would be popularly elected, they would be more accountable to their electors, he said.

"In view of these factors, the new legislators would have to pay more attention to Hong Kong and make the Government do more to facilitate the flow of personnel and trade," he said.

Mr Ni said the Taiwanese authorities were preparing a draft bill to spell out the island's Hong Kong policy after 1997.

A Hong Kong academic, Dr Liao Kuang-sheng of the Chinese University of Hong Kong, is expected to be returned to represent the territory's interests in the legislature.

Commenting on the wide-spread reports of violence and vote-buying during the campaign, Mr Ni said the competition was intense because the Taiwanese attached great importance to the Legislative Yuan.

He admitted the situation might confuse some observers because the rule of law was not yet perfect.

But he denied that violence and vote-buying had become part of Taiwan's election culture, saying they were a normal occurrence during democratic development.

To those in China who were concerned about their country's future, the elections in Taiwan held a special significance, said Mr Ni.

"Some people say that Chinese society is not ready for democracy. I do not agree with them. Chinese are human beings, just like Westerners. Why can't Chinese implement democracy?"

"I agree that with higher education standard and income level, the introduction of democracy would be easier. But there is a learning procedure for every system. If you do not try, there will never be a chance of accumulating experience."

"Many places which have a lower living standard, lower income level, lower education standard, and a smaller middle class than Hong Kong have already developed their own democracy. Why can't Hong Kong do so?" he said.

Mr Ni said China need not worry that Hong Kong wanted independence. "The Kuomintang Government has all along stressed its position against independence and in support of the one China policy. We also hope

China will eventually be unified under democracy, liberty and prosperity," he said.

"Most people in Taiwan are not in favour of independence, and Hong Kong people certainly do not have such an intention.

"Therefore, the leadership of the Chinese Communist Party should not imagine such a scenario in Hong Kong," he said.

When asked if Taiwan would support Hong Kong's demand for more democracy, Mr Ni said: "We ourselves are committed to striving for a more democratic political system. We, of course, will be happy if other places can follow the same direction."

Commentary Urges Considering Lee Kuan Yew's Words

HK1712135392 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0955 GMT 16 Dec 92

[Commentary by Chu Ke (2806 1356): "Hong Kong People Should Calmly Consider Lee Kuan Yew's Words"]

[Text] Hong Kong, 16 Dec (ZHONGGUO TONGXUN SHE)—At the Li Ka-Shing Distinguished Lecture held for the 80th founding anniversary of Hong Kong University on 14 December, Lee Kuan Yew, former Singapore prime minister and senior minister in the cabinet, delivered a speech on the Hong Kong issue entitled "A Tale of Two Cities in 20 Years."

Lee Kuan Yew may be described as a statesman who understands the Hong Kong issue well and can find a way out for Hong Kong by proceeding from political realities and interests. As a matter of fact, his remarks on the Hong Kong issue were not expressed only at Hong Kong University two days ago. And his argument is based only on a simple philosophy of political realities: "Hong Kong must be returned to China in 1997, this fact cannot be changed." Therefore, Hong Kong must find a way out under the framework of this fact. During an interview with a Hong Kong newspaper on 9 January 1990, he pointed out: "Now the British Government is leaving and Hong Kong needs administrative personnel who are practical, realistic, reserved, sensitive, wise, and highly skillful in dealing with human relations. In other

words, you must understand why Hong Kong is prosperous and successful and must also know that times and the world are changing and that this situation will continue to change. You must also know how to make things more and more economically favorable to China, but this must proceed in such a way that it will not threaten its politics. Then you persuade Chinese leaders that if Hong Kong can operate in the manner it has been, it will not make China unhappy but will make contributions to China."

In his speech at Hong Kong University on 14 December, Lee Kuan Yew once again raised completely identical views: In the coming four years the Hong Kong governor should consult with China in selecting future administrative personnel. This is more important than increasing directly elected seats for the Legislative Council to 20, 40, or more. In answer to Chris Patten's question about his views on the decolonization movement initiated by Britain in the last 50 years, Lee Kuan Yew said: Britain has not succeeded in carrying out the decolonization movement; the British culture and social system are not preserved in Sri Lanka, India, Pakistan, or Bangladesh. Americans' democratic enthusiasm split the Soviet Union and East Europe. In other words, Lee Kuan Yew did not think that after Hong Kong is returned to China, British-type democracy will remain in the territory; this is beneficial to the Hong Kong people.

Lee Kuan Yew also expressed other kinds of views on the Hong Kong issue: Under the formula of one country, two systems, Hong Kong will be well administered by a governor who is of the yellow race instead of the white race. He will be supported by his colleagues in effectively administering Hong Kong and promoting commercial instead of political development.

This is a deep analysis. Most Hong Kong people now and in the future mainly wish for the preservation of Hong Kong's economic prosperity and the present way of life, instead of a big political change.

Lee Kuan Yew is a realistic statesman. Some Hong Kong people with a romantic political taste may not like his views on the Hong Kong issue, but what he pointed out is the political reality most Hong Kong people will face after 1997; it is not an impracticable, unrealistic political illusion which confuses the state of affairs.

The Hong Kong people should calmly consider Lee Kuan Yew's remarks on the Hong Kong issue.

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